Economic Trends

ARTICLES

National income and expenditure in the first quarter of 1987

The effects of taxes and benefits on household income 1985

No 405
July 1987

Release dates of economic statistics to be published in August 1987

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in August 1987. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
August			
Mon 3	Housing starts and completions (June)	PN	DOE
Tues 4	UK Official reserves (July)	PN	HMT
	Capital issues and redemptions (July)	PN	Bank of England
Wed 5	Advance Energy Statistics (June)	PN	Dept. of Energy
	Overseas travel and tourism (May)	PN	DE
Thurs 6	Detailed analysis of employment, unemployment, earnings, prices and other indicators	Gazette	DE
Mon 10	Credit business (June)	PN	DTI
	Retail Sales (June-final)	PN	DTI
	Producer price index numbers (July—provisional)	PN	DTI
Tues 11	Balance of payments current account and overseas trade figures (June)*	PN	DTI/CSO
Thurs 13	Index of output of the production industries (June)	PN	CSO
	Labour market statistics: unemployment and unfilled vacancies (July-provisional); average earnings indices (June-provisional); employment, hours, productivity and unit wage costs; industrial disputes	PN	DE
	Provisional figures of vehicle production (July)	PN	DTI
	Financing of the GGBR (2nd quarter)	Bulletin	Bank of England
	UK banking sector statistics (2nd quarter)	Bulletin	Bank of England
	Money stock (2nd quarter)	Bulletin	Bank of England
Fri 14	Usable steel production (July)	PN	BSC/BISPA
	Tax and price index (July)	PN	CSO
	Retail prices index (July)	PN	DE
Sun 16	National Savings monthly progress report (July)	PN	Dept. for National Savings
Mon 17	Retail Sales (July-provisional)	PN	DTI
	CBI/FT survey of distributve trades	PN	CBI
Tues 18	Public Sector Borrowing Requirement (July)	PN	HMT/CSO
	Gross Domestic Product (output-based) (2nd quarter-preliminary)	PN	CSO
Wed 19	Cyclical indicators for the UK economy (July)	PN	CSO
Thurs 20	London and Scottish banks' monthly statement (July)	PN	CLSB
	Manufacturers' and distributors' stocks (2nd quarter-provisional)	PN	DTI
	Capital expenditure by the manufacturing and service industries (2nd quarter-provisional)	PN	DTI
	Provisional estimates of monetary aggregates (July)	PN	Bank of England
Fri 21	Building Societies' monthly figures (July)	PN	BSA
	United Kingdom Balance of Payments 1987 Edition (CSO Pink Book)	AV	CSO
Wed 26	Construction — new orders (June)	PN	DOE
Thurs 27	Energy Trends (June)	PN	Dept. of Energy
	New vehicle registrations (July)	PN	DTp
Fri 28	Engineering indices of production and sales and orders (June)	British Business	DTI
	Finished steel consumption and stock changes (2nd quarter-provisional)	British Business	DTI
	Company liquidity survey (2nd quarter)	British Business	DTI
	CBI Monthly Trends Enquiry (July)	PN	CBI

PN = Press Notice

* = Delayed by industrial action at the Customs and Excise computer centre

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the data printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
5. 'Billion' denotes one thousand millions.
6. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
7. Symbols used.
   - .. not available
   - \- nil or less than half the final digit shown
   - \+ alongside a heading indicates a series for which measures of variability are given on page 71
   - † indicates that the data has been revised since last issue; the period marked is the earliest in the table to have been revised.

The Editor would welcome readers' suggestions for improvements to Economic Trends

Central Statistical Office, 30 July 1987

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Latest developments in the economy[1]

Data available at 30 July 1987

Official reserves and exchange rate (not seasonally adjusted)

The UK official reserves fell by $315 million in June to $34,364 million. Accruals of borrowing under the exchange cover scheme amounted to $68 million; repayments of such borrowing amounted to $149 million. Repayment of long-term North American debt amounted to $1 million. Capital repayments on assignments to HMG of other public sector debt taken out under the exchange cover scheme amounted to $3 million.

Up to 30 July the average Exchange Rate Index for July was 0.1 per cent higher than that in June.

Prices (not seasonally adjusted)

The general index of retail prices for all items for June was 101.9 (January 1987=100), unchanged from May and an increase of 4.2 per cent on June 1986. The overall level of prices in June was the same as in May. There were decreases in the prices of fresh vegetables and increases in the prices of motor vehicles over the month. Owner occupiers' housing costs were lower as the residual effects of the reductions in mortgage interest rates announced in March were taken into the index. The Tax and Price Index for June was 99.8 (January 1987=100), 2.5 per cent higher than in June 1986.

The price index for materials and fuel purchased by manufacturing industry rose by 0.9 per cent between May and June, mainly because of higher prices for imported materials. The index rose by 4.0 per cent in the twelve months ended June after having risen by 1.3 per cent in the twelve months ended May. The seasonally adjusted index rose by 1.9 per cent between May and June.

The price index for home sales of manufactured products rose by 0.1 per cent between May and June. The increase in the index measured over a twelve month period was little changed in June at 3.7 per cent as compared with 3.6 per cent in May.

Output

Output of the production industries in the three months to May 1987 is provisionally estimated to have increased by 1 per cent from the level of the previous three months and was 2¼ per cent higher than in the same period a year earlier.

Manufacturing output in the latest three months was 1 per cent higher than in the previous three months and 4½ per cent higher than in the same period a year earlier.

The output of the energy sector in the latest three months was 1¼ per cent higher than in the previous three months but 2 per cent lower than in the same period a year earlier.

Unemployment and vacancies

The level of unemployment in the UK (excluding school leavers) decreased by 27,000 to 2.925 million in June, 10.5 per cent of the working population. Over the past six months on average, unemployment has fallen by 32,400 per month.

The stock of unfilled vacancies at jobcentres (excluding Community Programme vacancies) increased by 2,100 in the month to June to reach 233,300. Over the past three months to June, vacancies have increased on average by 7,600 per month.

Employment

The number of employees in employment in manufacturing industries in Great Britain is estimated to have increased by 2,000 in May 1987. The average decrease of 5,000 per month in the three months ended May compares with 10,000 per month in the previous three months and with 15,000 per month in the three months ending May 1986.

The employed labour force in Great Britain is estimated to have increased by 105,000 in the first quarter of 1987, including an assumed growth of 26,000 in self-employment. Over the year ending March 1987 the total increase is estimated at 257,000.

Earnings

The whole economy index of average earnings of employees in Great Britain in May was 198.4 (January 1980=100), an increase of 0.6 per cent over April and 8.7 per cent higher than in May 1986. The underlying increase in average weekly earnings in the year to May was about 7¾ per cent, similar to the increase in the year to April. The actual increase in the year to May was above the underlying increase because back pay in May this year, mainly for teachers, was higher than in the same month last year.

In production industries, the underlying increase in average weekly earnings in the year to May was about 8 per cent, similar to the increase in the year to April; in manufacturing industries the increase was also about 8 per cent, similar to the increase in the year to April. These figures reflect the effect of higher overtime working in recent months.

Productivity

Manufacturing output per head in the three months to May was 1.3 per cent higher than in the previous three months and 6.7 per cent higher than in the same period a year earlier. Output per head in the whole economy in the first quarter of 1987 was 0.5 per cent above the previous quarter and 3.3 per cent higher than in the first quarter of 1986.

Unit wage and salary costs

In the three months ending May, wages and salaries per unit of output in manufacturing industries were 0.8 per cent above the corresponding period a year earlier. For the whole economy they were 4.1 per cent higher in the first quarter of 1987 than in the corresponding period of 1986.

1. All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Monetary aggregates (not seasonally adjusted except where indicated)

In the twelve months to June, M0 rose by 4.2 per cent, M3 by 19.2 per cent, M4 by 13.8 per cent and M5 by 13.5 per cent. In June, M0 fell by 0.6 per cent, whilst M3 rose by 1.1 per cent, with M4 and M5 both rising by 1.4 per cent, before seasonal adjustment. After seasonal adjustment, M0 rose by 0.2 per cent, M3 by 1.0 per cent, with M4 and M5 both rising by 1.3 per cent.

Balance of payments

The current account for May was estimated to have been in deficit by £561 million compared with a surplus of £96 million in April. In the three months ended May, the current account showed a deficit of £0.3 billion, compared with a surplus of £0.3 billion in the previous three months. There was a deficit on visible trade of £2.1 billion compared with a deficit of £1.6 billion in the previous three months. The surplus on invisibles in the latest three months is projected at £1.8 billion.

There was a deficit on visible trade in May of £1,161 million compared with a deficit of £504 million in April. Exports in May were 4½ per cent lower than in April. Lower exports of oil accounted for most of the fall and, excluding oil and the erratic items, exports were down by only 1 per cent. Imports in May were 5½ per cent higher than in April; excluding oil and the erratic items they rose by 9 per cent.

By volume, exports fell by 3½ per cent in the latest three months but were 6 per cent higher than in the same period a year ago. Excluding oil and the erratic items export volume decreased by 4 per cent in the latest three months. In recent months the underlying level of non-oil exports has fallen back slightly from the high levels at the turn of the year.

By volume, imports fell by ½ per cent in the latest three months to be 7 per cent higher than a year earlier. Excluding oil and the erratic items, the volume of imports was unchanged between the two periods and 7½ per cent up on a year earlier. The figures up to April show a decline in the underlying level of non-oil import volume compared with the high levels at the end of last year. It is too early to assess whether the sharp increase in May indicates a change in the underlying level or is a random fluctuation.

Consumers' expenditure

The provisional estimate of the volume of retail sales in June was 129.3 (1980 = 100). This is above the levels in all previous months except for April. In the three months April to June, the level of sales was nearly 2½ per cent above that in the previous three months (which included January when sales were depressed by the severe weather) and nearly 6 per cent higher than in the corresponding period a year earlier.

Preliminary estimates suggest that in the second quarter of 1987 consumers' expenditure at constant 1980 prices was about 1½ per cent higher than in the first quarter and about 3½ per cent above the same period a year earlier. The estimate reflects increases in most categories of goods and services.

Selected monthly indicators (1)

		Seasonally adjusted						Unadjusted				Seasonally adjusted	
		1980=100	1980=100	Thousands		January 1980=100	1980=100	January 1974=100	January 1978=100	1975=100	$ billion	£ million	
		Volume of retail sales GB(2,3,4)*	Total production industries	Unemployment (5,6)*	Vacancies (7,8,9)*	Average earnings - whole economy: GB(10)	Producer price of materials and fuel(11)	Retail price index (all items)(12)	Tax and price index(12)	Sterling exchange rate index	UK official reserves(13)	Balance of payments: Current balance	Money stock £M3
		FAAM	DVIM	BCJD	DPCB	DNAB	DZDQ	CBAB	BSAA	AJHT	FOAB	AIMF	AGBC
1986	A	120.7	111.0†	3 196.8	170.2	185.3	126.8	385.3	192.5	76.2	19.0	316	135 854†
	M	119.6	109.1	3 200.6	172.1	182.6	126.7	386.0	192.9	76.1	19.2	-113	140 044
	J	123.2	109.2	3 212.5	184.4	183.9	125.4	385.8	192.8	75.9	19.2	-41	141 222
	J	122.6	110.6	3 212.4	193.2	186.3	122.2	384.7	192.1	74.0	19.1	45	142 382
	A	123.9	111.3	3 209.2	201.1	187.0	123.4	385.9	192.9	71.4	18.9	-680	142 841
	S	124.5	110.8	3 183.2	206.4	187.1	125.0	387.8	194.0	70.4	22.4	-127	147 105
	O	125.0	111.2	3 159.6	212.8	188.7	126.4	388.4	194.3	67.8	22.0	-43	147 279
	N	127.8	111.1	3 143.4	215.2	190.2	127.1	391.7	196.3	68.5	22.0	-327	149 220
	D	126.7	110.3	3 119.4	210.0	191.3	127.6	393.0	197.1	68.5	21.9	-215	150 423
1987	J							394.5	198.0				
								January 1987=100	January 1987=100				
1987	J	123.6	111.2†	3 114.3	210.3	192.8	127.0	100.0	100.0	68.8	21.9	84	152 007†
	F	127.0	112.7	3 085.8	207.1	193.4	127.2	100.4	100.5	69.0	22.3	398	155 465
	M	125.5	112.8	3 039.7	210.6	194.8	127.4	100.6	100.7	71.9	27.0	184	160 456
	A	130.0	112.0	3 018.1	213.9	197.2†	128.3†	101.8	99.7	72.3	29.8	96	163 428
	M	125.4†	113.3	2 952.3†	231.2	198.4	128.2	101.9	99.8	73.3	34.7	-561†	166 872
	J	129.3		2 925.3	233.3†		130.6	101.9†	99.8	72.6†	34.4†		
		Percentage change, latest three months on previous three months											
1986	M	1.7	1.0	1.5	3.7	2.5	-3.1	1.2	-	-1.3	..		
	J	1.7	-0.1	0.9	5.4	1.8	-2.7	1.3	-	1.3	..		
	J	1.4	-1.3	0.6	8.5	0.9	-2.9	0.7	-	0.4	..		
	A	2.3	-0.3	0.3	13.1	1.2	-3.2	0.3	-	-2.5	..		
	S	2.0	1.5	-0.1	14.1	1.6	-2.2	0.1	-	-5.5	..		
	O	2.1	1.7	-0.8	12.8	1.8	0.3	0.5	-	-6.8	..		
	N	2.0	0.7	-1.5	9.6	1.6	0.4	1.0	-	-6.2	..		
	D	2.3	-1.0	-1.9	6.2	1.8	0.3	1.3	-	-5.1	..		
1987	J	1.8	0.8	-1.8	2.5	2.0	-1.5	1.5	..	-1.8	..		
	F	0.1	0.4	-2.0	-1.1	2.0	0.7	1.3	..	-0.2	..		
	M	-0.9	0.1	-2.2	-1.6	1.9	0.4	1.2	..	2.4	..		
	A	1.0	1.5	-2.7	-0.6	1.9	0.7	1.3	..	3.6	..		
	M	0.8	1.7	-3.1	4.5	2.2	0.7	1.4	..	5.4	..		
	J	2.3		-3.5	8.0		1.4	1.5	-0.6	4.2	..		
		Percentage change, latest three months on corresponding period of previous year											
1986	M	4.6	0.7	2.9	6.5	8.3	-9.8	3.3	1.7	-1.4	..		
	J	4.7	-0.2	2.8	8.2	8.0	-8.9	2.8	0.9	-3.5	..		
	J	4.4	-0.1	3.0	13.1	8.0	-6.9	2.6	0.6	-6.6	..		
	A	4.9	1.0	3.1	18.8	8.1	-9.0	2.5	0.5	-9.6	..		
	S	5.5	2.0	2.7	22.6	7.4	-8.8	2.6	0.6	-12.4	..		
	O	6.3	1.6	2.2	24.5	7.4	-7.9	2.8	1.1	-13.9	..		
	N	7.3	0.9	1.3	25.8	7.5	-6.7	3.2	1.6	-15.7	..		
	D	7.3	0.9	0.3	27.1	8.0	-4.5	3.4	2.1	-13.5	..		
1987	J	6.5	2.3	-0.5	28.4	7.7	-4.2	3.7	2.4	-14.1	..		
	F	6.3	2.7	-1.7	27.1	7.5	-3.4	3.9	2.6	-10.3	..		
	M	5.1	2.7	-1.1	25.7	7.3	-2.1	3.9	..	-7.0	..		
	A	6.0	2.4	-4.6	24.6	6.8	-0.2	4.1	..	-5.4	..		
	M	5.3	2.6	-6.2	28.1	7.2	0.9	4.1	..	-4.3	..		
	J	5.8		-7.4	28.8		2.2	4.2		-4.8	..		

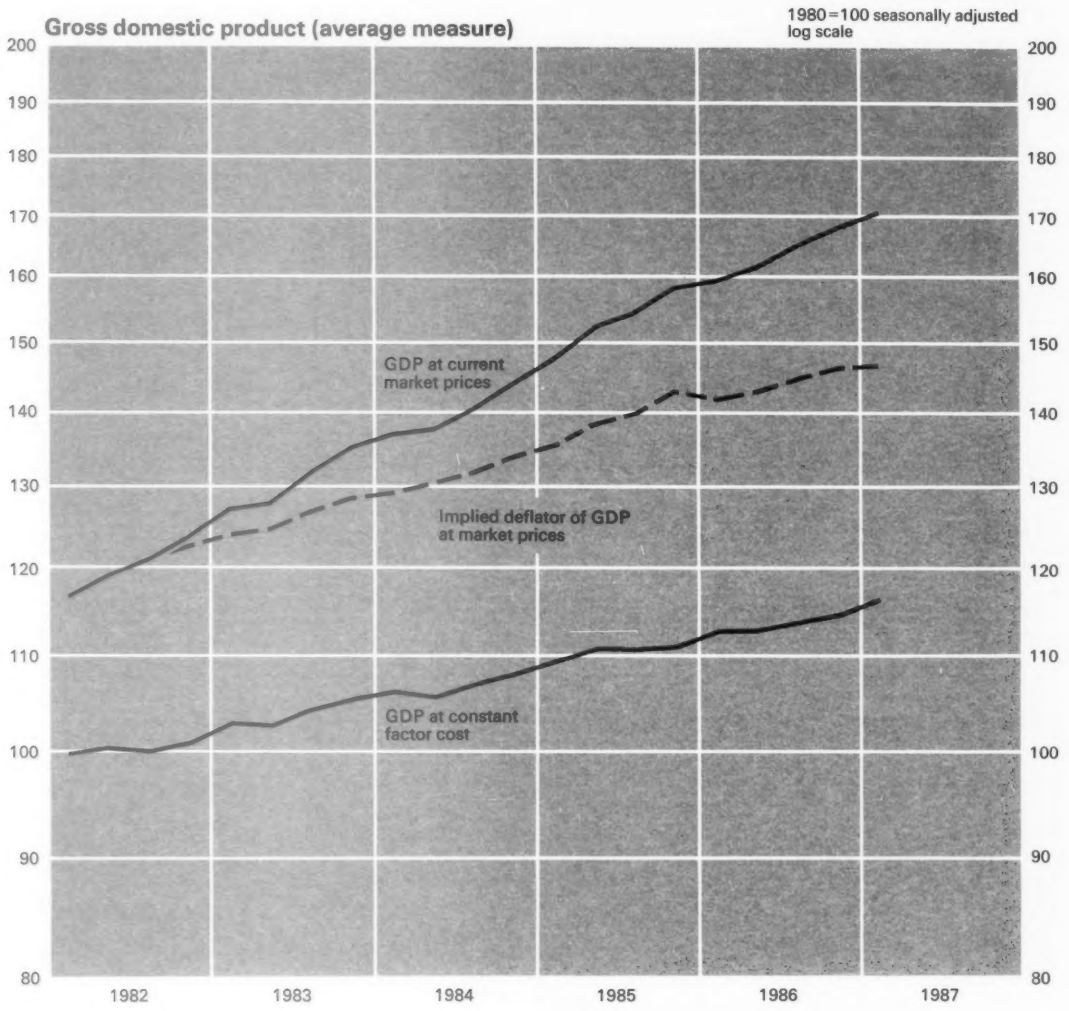
1 Data given may not be wholly consistent with that shown elsewhere in the publication.
2 This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
3 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods.
4 The retail sales index has been rebased using detailed information for1984.
5 Unemployed excluding school leavers.
6 See footnote 2 on page 38.
7 Vacancies notified to job centres. Figures were distorted in April and May 1985 due to a change in administrative arrangements leading to an artificial increase in April. Figures for May should be minimally affected.
8 See footnote 7 on page 38. 9 See footnote 8 on page 38.
10 The seasonal adjustment factors currently used are based on data up to December 1982.
11 Purchased by manufacturing industry. (Revised definition)
12 The index has been rebased to January 1987 = 100. 13 See footnote 2 on page 50.

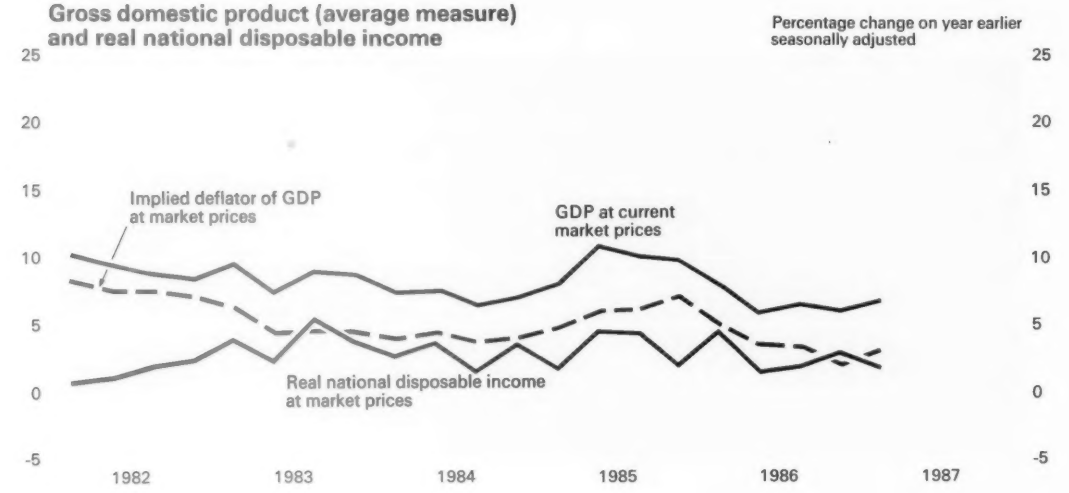
National accounts aggregates (1)

Seasonally adjusted

		Gross domestic product: At market prices: At current prices: £ billion: average estimate	Gross domestic product: At market prices: At current prices: 1980=100: average estimate	Gross domestic product: At market prices: At 1980 prices: 1980=100: average estimate	Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: expenditure data	Gross domestic product: At factor cost: At current prices: £ billion(2): Based on: income data	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: average estimate*	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: expenditure data*	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: income data(3)*	Gross domestic product: At factor cost: At 1980 prices: 1980=100: Based on: output data	National disposable income at 1980 market prices: 1980=100: average estimate	Implied gross domestic product deflator 1980=100: At factor cost: Based on: expenditure data(4)	Implied gross domestic product deflator 1980=100: At market prices: Based on: expenditure data
		CAOB	DJCL	FNAO	FNAP	FNAQ	DJED	DJDE	DIAR	DSAE	DJCR	DJCM	DJDT
1978		167.4	72.8	99.7	148.9	147.6	99.6	100.0	99.4	99.8	98.4	74.7	72.9
1979		196.9	85.6	102.5	171.6	171.0	102.3	102.1	102.1	102.8	101.7	84.2	83.5
1980		230.1†	100.0	100.0	199.7†	199.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		253.1	110.0†	98.7	218.2	216.7	98.8	99.1†	98.8	98.4	99.5	110.2	111.5
1982		276.5	120.2	100.1	235.4	236.6	100.3	99.9	100.8	100.0	101.0	118.0	120.1
1983		300.3	130.6	103.5	258.0	258.4	103.7	103.7	104.2	103.1	104.9	124.6	126.1
1984		321.9	139.9	106.6	275.0	279.5	105.6	105.6	107.7	105.5	107.9	130.4	131.3
1985		353.1	153.5	110.3	302.2	305.4	110.3	109.5	111.1	110.4	111.4	138.2	139.2
1986		376.5	163.6	113.6	318.2	323.2	113.4	112.2	114.4	113.6	114.4	142.0	144.1
1987		-	-								-		
1981	4	65.7	114.2†	99.5	56.2	56.8	99.9	99.7	101.1	99.0	100.0	113.0	114.8
1982	1	66.9	116.3	99.6	57.1	56.7	99.8	100.2†	99.9	99.1	100.6	114.1	116.8
	2	68.6	119.3	100.1	58.3	59.2	100.3	99.5	101.4	99.9	100.4	117.3	119.3
	3	69.7	121.3	100.0	58.8	59.8	100.1	99.9	100.9	100.4	100.8	119.2	121.3
	4	71.3	123.9	100.8	61.2	60.9	100.9	101.1	101.0	100.7	102.4	121.2	122.9
1983	1	73.3	127.4	102.6	63.3	62.6	102.8	103.7	102.9	101.7	104.5	122.3	124.2
	2	73.6	128.0	102.5	62.8	63.7	102.7	102.2	104.1	102.0	102.8	123.1	124.8
	3	75.9	132.0	103.9	65.3	65.3	104.1	104.0	104.5	103.8	106.1	125.7	127.0
	4	77.6	134.9	104.9	66.6	66.8	105.1	104.8	105.4	105.0	106.2	127.4	128.6
1984	1	78.7	136.9	105.9	67.6	68.0	106.0	105.6	106.8	105.7	107.4	128.1	129.2
	2	79.2	137.8	105.7	67.6	68.7	105.6	104.4	105.4	105.9	106.6	129.7	130.4
	3	80.9	140.7	106.7	68.7	70.6	106.9	105.3	108.6	106.7	107.7	130.7	131.8
	4	83.0	144.4	108.0	71.1	72.2	108.0	107.1	109.2	107.7	109.9	133.0	133.7
1985	1	85.1	148.0	109.2	73.5	73.7	109.3	109.1	109.7	109.2	109.4	135.0	135.4
	2	87.8	152.6	110.4	75.0	76.1	110.6	109.6	111.7	110.6	111.5	137.0	138.2
	3	88.1	154.9	110.6	75.9	77.1	110.5	109.4	111.6	110.5	112.6	138.9	140.0
	4	91.2	158.6	110.8	77.8	78.5	110.8	109.8	111.3	111.3	112.1	141.9	143.2
1986	1	91.9	159.8	112.3	78.8	79.2	112.5	112.4	113.4	111.7	114.2	140.5	142.3
	2	93.0	161.7	113.0	78.6	79.9	112.8	111.6	113.8	112.9	113.4	141.0	143.1
	3	94.9	165.0	114.0	79.4	81.5	113.6	111.6	114.9	114.4	114.7	142.5	144.8
	4	96.7	168.1	115.0	81.4	82.6	114.7	113.3	115.5	115.3	115.2	143.8	146.2
1987	1	98.1	170.7	116.3	83.4†	84.4	116.2	115.3	117.0†	116.4	116.3	145.0†	146.7
		Percentage change, quarter on corresponding quarter of previous year (5)											
1981	4	9.9	9.9	1.3	7.6	10.6	2.1	1.0	3.9	1.3	0.8	6.5	6.5
1982	1	10.2	10.2	1.7	5.9	9.4	1.6	-	3.3	1.5	0.8	5.9	8.3
	2	9.5	9.5	1.8	8.7	11.5	2.2	0.9	3.5	2.1	1.1	7.7	7.7
	3	8.8	8.8	1.1	7.9	8.7	1.3	0.8	1.5	1.6	1.8	7.0	7.7
	4	8.5	8.5	1.3	8.9	7.2	1.0	1.4	-0.1	1.7	2.4	7.3	7.1
1983	1	9.5	9.6	3.0	10.9	10.4	3.0	3.5	3.0	2.5	3.9	7.2	6.3
	2	7.3	7.3	2.5	7.8	7.7	2.5	2.7	2.7	2.0	2.4	4.9	4.6
	3	8.9	8.9	4.0	10.9	9.2	4.0	5.1	3.5	3.4	5.3	5.5	4.7
	4	8.8	8.8	4.1	8.9	9.7	4.1	3.6	4.4	4.3	3.8	5.1	4.6
1984	1	7.4	7.4	3.2	6.7	6.6	3.2	1.9	3.7	4.0	2.8	4.7	4.0
	2	7.7	7.6	3.1	7.7	7.7	2.8	2.2	2.2	3.9	3.7	5.4	4.5
	3	6.6	6.6	2.7	5.3	6.1	2.7	1.3	4.0	2.8	1.5	4.0	3.8
	4	7.0	7.0	2.9	6.7	6.2	2.8	2.2	3.6	2.5	3.5	4.4	4.0
1985	1	8.1	8.1	3.2	8.8	8.3	3.1	3.2	2.8	3.3	1.8	5.4	4.8
	2	10.8	10.8	4.5	10.9	10.9	4.8	5.0	5.0	4.4	4.6	5.6	6.0
	3	10.1	10.1	3.6	10.4	9.1	3.4	3.9	2.7	3.5	4.5	6.3	6.2
	4	9.9	9.9	2.6	9.4	8.8	2.6	2.5	1.9	3.3	2.0	6.7	7.1
1986	1	8.0	8.0	2.8	7.2	7.6	2.9	3.0	3.3	2.3	4.4	4.1	5.1
	2	5.9	5.9	2.3	4.8	4.9	2.0	1.8	1.9	2.1	1.7	2.9	3.6
	3	6.5	6.5	3.0	4.7	5.7	2.8	2.0	3.0	3.6	1.9	2.6	3.4
	4	6.0	6.0	3.8	4.6	5.2	3.6	3.2	3.8	3.7	2.8	1.4	2.1
1987	1	6.8	6.8	3.6	5.8	6.5	3.3	2.6	3.2	4.2	1.9	3.2	3.1

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Figures in £ million are given on page 14.
3 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
4 Also known as the index of total home costs.
5 These estimates of change are based in some cases on less rounded figures than in the table.


Gross domestic product (average measure)
1980=100 seasonally adjusted
log scale
200
190
180
170
160
150
140
130
120
110
100
90
80
GDP at current
market prices
Implied deflator of GDP
at market prices
GDP at constant
factor cost
1982
1983
1984
1985
1986
1987


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
25
20
15
10
5
0
-5
Implied deflator of GDP
at market prices
GDP at current
market prices
Real national disposable income
at market prices
1982
1983
1984
1985
1986
1987

Expenditure on the gross domestic product

Seasonally adjusted

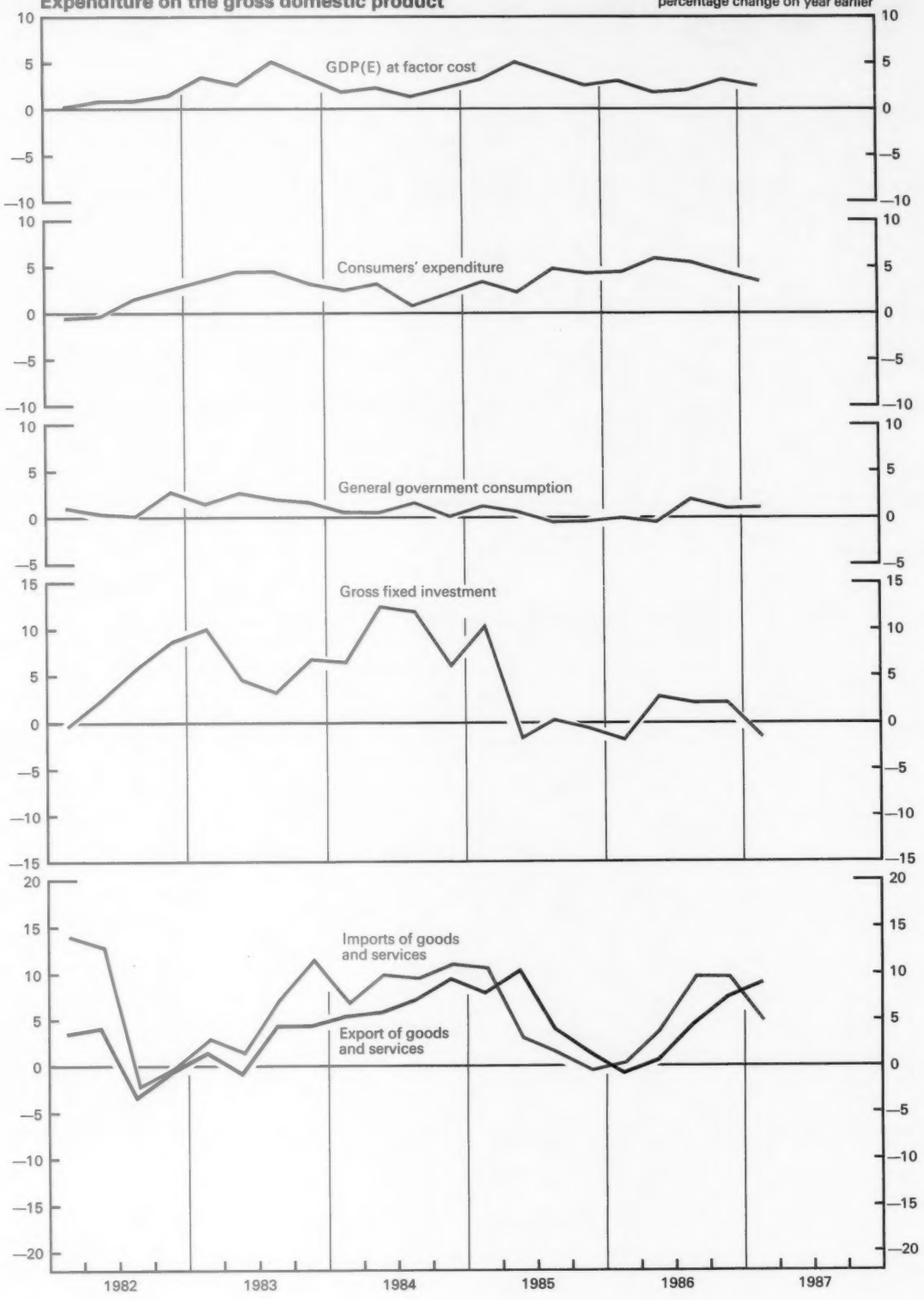
£ million, 1980 prices

		Gross domestic product at factor cost-expenditure based(1)	Final expenditure on goods and services at market prices									
					General government consumption							
			Total(1)	Consumers' expenditure	Total(1)	Central government	Local authorities	Gross fixed investment	Stock building	Exports of goods and services	Imports of goods and sevices	Adjustment to factor cost
		DJDH	DIAU	CAAB	DIAT	DIAV	DIAW	DECU	DGBA	DJDG	DJDJ	DIAS
1979		203 805	295 489	137 612	48 213	29 153	19 060	43 954	2 547	63 163	59 879	31 805
1980		199 606	288 197	137 234	48 936	29 993	18 943	41 774	-2 844	63 097	57 868	30 723
1981		197 952	284 451	137 211	49 127	30 241	18 886	37 821	-2 439	62 731	56 401	30 098
1982		199 581	289 468	138 277	49 626	30 553	19 073	39 377	-1 084	63 272	59 484	30 423
1983		207 025	301 252	143 603	50 588	31 117	19 471	41 712	680	64 668	62 773	31 454
1984		210 929	312 131	146 657	50 909	31 343	19 566	45 472	-36	69 129	68 558	32 644
1985		218 640	323 117	151 988	51 129	31 533	19 596	46 331	503	73 168	70 686	33 791
1986		224 120	334 089	159 715	51 538	31 647	19 891	48 571	635	75 330	74 766	35 203
1980	1	50 527	73 901	34 999	12 229	7 418	4 811	10 680	-456	16 509	15 580	7 854
	2	49 681	72 367	34 038	12 114	7 397	4 717	10 631	-282	15 866	15 079	7 607
	3	50 142	71 437	34 273	12 236	7 533	4 703	10 411	-848	15 365	13 770	7 525
	4	49 256	70 432	33 924	12 357	7 645	4 712	10 052	-1 258	15 357	13 439	7 737
1981	1	50 014	70 323	34 338	12 284	7 563	4 701	9 456	-986	15 231	12 949	7 380
	2	49 188	70 408	34 333	12 314	7 606	4 708	9 490	-1 128	15 400	13 571	7 650
	3	48 977	71 745	34 196	12 353	7 585	4 768	9 463	-299	16 032	15 132	7 636
	4	49 773	71 974	34 344	12 196	7 487	4 709	9 412	-46	16 068	14 749	7 452
1982	1	50 036	72 305	34 106	12 387	7 662	4 725	9 418	610	15 782	14 731	7 538
	2	49 650	72 508	34 230	12 338	7 609	4 729	9 714	197	16 029	15 296	7 562
	3	49 388	71 769	34 725	12 369	7 603	4 766	10 020	-852	15 507	14 771	7 610
	4	50 487	72 886	35 214	12 532	7 679	4 853	10 225	-1 039	15 954	14 686	7 713
1983	1	51 779	74 706	35 344	12 571	7 737	4 834	10 347	433	16 011	15 147	7 780
	2	51 011	74 280	35 694	12 674	7 788	4 886	10 133	-108	15 887	15 473	7 796
	3	51 926	75 630	36 248	12 800	7 757	4 843	10 327	302	16 153	15 810	7 894
	4	52 309	76 636	36 317	12 743	7 835	4 908	10 905	53	16 618	16 343	7 984
1984	1	52 741	76 977	36 267	12 830	7 745	4 885	11 002	207	16 871	16 161	8 075
	2	52 135	77 286	36 787	12 736	7 848	4 888	11 376	-419	16 806	16 992	8 159
	3	52 593	77 993	36 535	12 788	7 865	4 923	11 541	-167	17 296	17 282	8 118
	4	53 460	79 875	37 068	12 755	7 885	4 870	11 553	343	18 156	18 123	8 292
1985	1	54 450	80 497	37 454	12 771	7 928	4 843	12 119	-44	18 197	17 684	8 363
	2	54 734	80 610	37 603	12 821	7 892	4 929	11 171	493	18 522	17 499	8 377
	3	54 638	80 693	38 303	12 739	7 854	4 885	11 567	89	17 995	17 496	8 559
	4	54 818	81 317	38 626	12 798	7 859	4 939	11 474	-35	18 454	18 007	8 492
1986	1	56 098	82 331	39 128	12 762	7 831	4 931	11 880	518	18 043	17 710	8 523
	2	55 731	82 642	39 811	12 874	7 966	4 908	11 486	-180	18 651	18 158	8 753
	3	55 712	83 817	40 396	12 977	7 858	5 119	11 796	-168	18 816	19 171	8 934
	4	56 578	85 299	40 380	12 925	7 892	5 033	11 709	465	19 820	19 727	8 993
1987	1	57 543	85 084	40 513	12 904	7 793	5 111	11 668	326	19 675	18 567	8 974
		Percentage change, quarter on corresponding period of previous year										
1981	4	+1.1	+2.2	+1.2	-1.3	-2.1	-0.1	-6.4	..	+4.6	+9.7	-3.7
1982	1	-	+2.8	-0.7	+1.0	+1.3	+0.5	-0.4	..	+3.6	+13.8	+2.4
	2	+0.9	+3.0	-0.3	+0.2	-	+0.4	+2.4	..	+4.1	+12.7	-1.2
	3	+0.8	-	+1.5	+0.1	+0.2	-	+5.9	..	-3.3	-2.4	-0.3
	4	+1.4	+1.3	+2.5	+2.8	+2.6	+3.1	+8.6	..	-0.7	-0.4	+3.5
1983	1	+3.5	+3.3	+3.8	+1.5	+1.0	+2.3	+9.9	..	+1.5	+2.8	+3.2
	2	+2.7	+2.4	+4.3	+2.7	+2.4	+3.3	+4.3	..	-0.9	+1.2	+3.1
	3	+5.1	+5.4	+4.4	+1.9	+2.0	+1.6	+3.1	..	+4.2	+7.0	+3.7
	4	+3.6	+5.1	+3.1	+1.7	+2.0	+1.1	+6.7	..	+4.2	+11.3	+3.5
1984	1	+1.9	+3.0	+2.6	+0.5	+0.1	+1.1	+6.3	..	+5.4	+6.7	+3.8
	2	+2.2	+4.0	+3.1	+0.5	+0.8	-	+12.3	..	+5.8	+9.8	+4.7
	3	+1.3	+3.1	+0.8	+1.5	+1.4	+1.7	+11.8	..	+7.1	+9.3	+2.8
	4	+2.2	+4.2	+2.1	+0.1	+0.6	-0.8	+5.9	..	+9.3	+10.9	+3.9
1985	1	+3.2	+4.6	+3.3	+1.1	+2.4	-0.9	+10.2	..	+7.9	+9.4	+3.6
	2	+5.0	+4.3	+2.2	+0.7	+0.6	+0.8	-1.8	..	+10.2	+3.0	+2.7
	3	+3.9	+3.5	+4.8	-0.4	-0.1	-0.8	+0.2	..	+4.0	+1.2	+5.4
	4	+2.5	+1.8	+4.2	+0.3	-0.3	+1.4	-0.7	..	+1.6	-0.6	+2.4
1986	1	+3.0	+2.3	+4.5	-0.1	-1.2	+1.8	-2.0	..	-0.8	+0.1	+1.9
	2	+1.8	+2.5	+5.9	+0.4	+0.9	-0.4	+2.8	..	+0.7	+3.8	+4.5
	3	+2.0	+3.9	+5.5	+1.9	+0.1	+4.8	+2.0	..	+4.6	+9.6	+4.4
	4	+3.2	+4.9	+4.5	+1.0	+0.4	+1.9	+2.0	..	+7.4	+9.6	+5.9
1987	1	+2.6	+3.3	+3.5	+1.1	-0.5	+3.7	-1.8	..	+9.0	+4.8	+5.3

1 For years up to and including 1977, totals differ from the sum of the components because of the method used to rebase on 1980 prices.

Expenditure on the gross domestic product

1980 prices seasonally adjusted
percentage change on year earlier



Personal disposable income and consumption

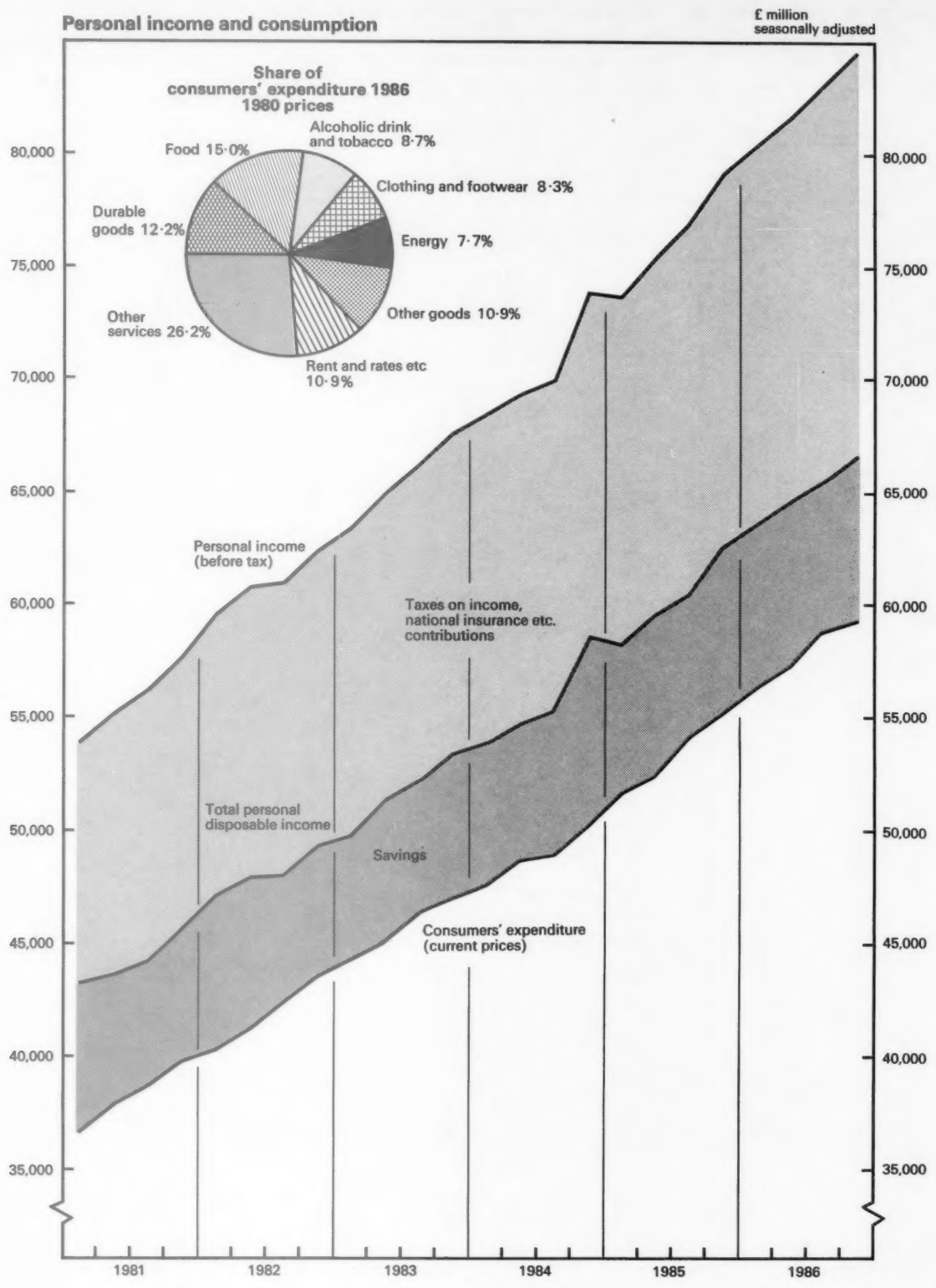
		Seasonally adjusted							
		£ million, current prices				Percentage	1980 prices		
		Personal income before tax							
		Total(1)	of which: Wages, salaries and forces pay	Total personal disposable income(2)	Consumers' expenditure(3)	Personal saving ratio(4)	Real personal disposable income(5)		Realconsumers' expenditure(3)
							£ million*	1980 = 100	£ million
		AIIQ	AIJB	AIIW	AIIX	AIIZ	CFAH	CFAF	CAAB
1983		281 931†	146 819	206 550†	182 598†	11.6	182 440†	100.5†	143 603†
1984		291 313	156 245	222 341	195 341	12.1	186 928	103.3	146 657
1985		304 759	169 855†	240 339	213 168	11.3†	171 359	106.1	151 986
1986		329 061	183 948	259 815	232 013	10.7	178 854	110.7	159 715
1983	2	64 988†	36 331	51 327†	45 012†	12.3	40 703†	100.8†	35 694†
	3	66 189	36 867	52 153	46 337	11.2	40 798	101.0	36 248
	4	67 479	37 607	53 343	46 975	11.9†	41 241	102.1	36 317
1984	1	68 379	38 058	53 858	47 505	11.8	41 130	101.8	36 267
	2	69 290	38 550	54 730	48 705	11.0	41 343	102.3	36 787
	3	69 909	39 120	55 275	48 894	11.5	41 308	102.3	36 535
	4	73 735	40 517	58 468	50 237	14.1	43 147	106.8	37 068
1985	1	73 535	41 136†	58 057	51 885	11.0	42 072	104.2	37 454
	2	75 374	42 079	59 655	52 375	12.2	42 830	106.0	37 603
	3	76 772	42 913	60 219	54 002	10.3	42 713	105.7	38 303
	4	79 078	43 727	62 408	55 106	11.7	43 744	108.3	38 626
1986	1	80 050	44 560	63 261	56 396	10.9	43 890	108.7	39 128
	2	81 711	45 609	64 761	57 450	11.3	44 876	111.1	39 811
	3	83 084	46 265	65 519	58 928	10.1	44 913	111.2	40 396
	4	84 216	47 514	66 274	59 239	10.6	45 175	111.8	40 380
1987	1	86 619	48 186	68 282	60 029	12.1	46 083	114.1	40 513

1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 This table is revised and brought up to date in the January, April, July and October issues. The table below may show more up to date figures for consumers' expenditure.
4 Personal savings as a percentage of personal disposable income.
5 Personal disposable income revalued by the implied consumers' expenditure deflator (1980 = 100).

Real consumers' expenditure – component categories

		Seasonally adjusted								
		£ million, 1980 prices								
				Other goods					Other services	
		Total	Durable goods: total	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent and rates etc.	Other services(1)
		CAAB	CDBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ
1984		146 657†	16 629	22 891	13 926	11 561	11 329	15 849	16 948	37 524
1985		151 986	17 844	23 197	14 061	12 378	11 840	16 465	17 113	39 088
1986		159 715	19 383	23 906	14 028	13 279	12 317	17 448	17 284	42 070
1987									17 558	
1983	2	35 694†	4 012	5 744	3 415	2 716	2 873	3 729	4 167	9 038
	3	36 248	4 228	5 807	3 499	2 750	2 786	3 784	4 181	9 213
	4	36 317	4 173	5 834	3 484	2 792	2 795	3 829	4 197	9 213
1984	1	36 267	4 095	5 759	3 493	2 779	2 867	3 841	4 216	9 217
	2	36 787	4 232	5 762	3 476	2 856	2 812	3 977	4 232	9 438
	3	36 535	4 048	5 654	3 477	2 935	2 798	3 996	4 245	9 382
	4	37 068	4 254	5 716	3 480	2 989	2 852	4 035	4 255	9 487
1985	1	37 454	4 333	5 691	3 492	3 042	2 925	4 051	4 262	9 658
	2	37 603	4 344	5 780	3 508	3 107	2 927	4 094	4 273	9 570
	3	38 303	4 616	5 862	3 502	3 114	2 993	4 135	4 284	9 797
	4	38 626	4 551	5 864	3 559	3 115	2 995	4 185	4 294	10 063
1986	1	39 128	4 523	5 905	3 456	3 224	3 108	4 206	4 303	10 403
	2	39 811	4 832	5 970	3 524	3 289	3 076	4 285	4 312	10 523
	3	40 396	5 078	6 006	3 506	3 365	3 080	4 452	4 326	10 523
	4	40 380	4 950	5 965	3 542	3 401	3 053	4 505	4 343	10 621
1987	1	40 513	4 950	5 857	3 440	3 350	3 109	4 526	4 365	10 916

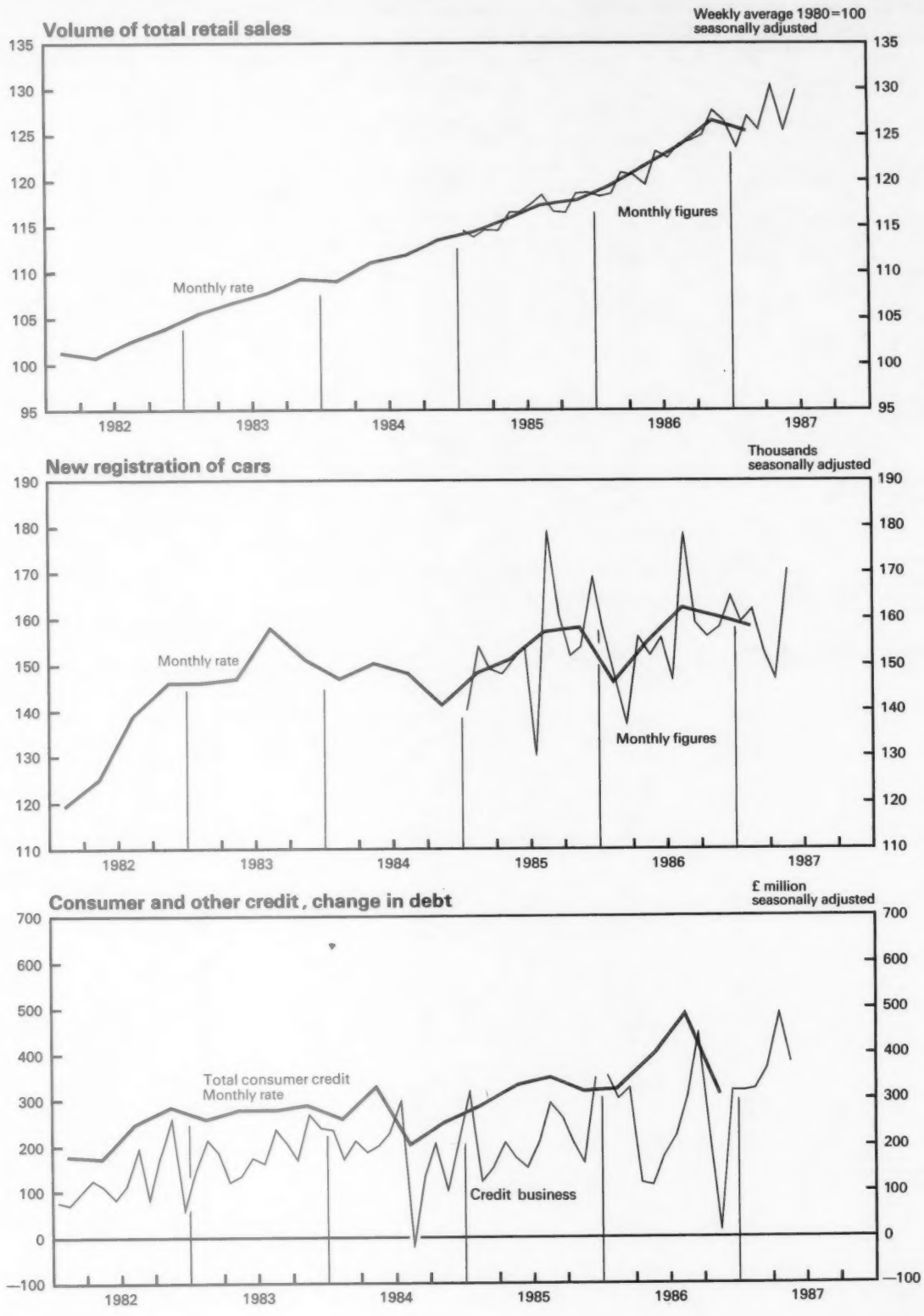
1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1986
1980 prices
Alcoholic drink
and tobacco 8·7%
Food 15·0%
Clothing and footwear 8·3%
Durable
goods 12·2%
Energy 7·7%
Other goods 10·9%
Other
services 26·2%
Rent and rates etc
10·9%
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
40,000
35,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1981
1982
1983
1984
1985
1986

Retail sales, new registrations of cars and credit business (Great Britain)

		Seasonally adjusted										
		Weekly average 1980=100							Thousands(1)	£ million		
		Value of retail Sales(2,3)	Volume of retail sales (2,3)							Consumer credit	Credit business(4)	
		Total(5)	Total(5)	Food retailers(5)	Mixed retail businesses(5)	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars*(6)	Change in total outstanding	New credit advanced	Change in amounts outstanding
Sales in 1980 £ million		58 377	58 377	22 859	10 945	5 413	9 234	9 926				
		FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR	DKBY	AIKM	FHBH	FHBI
1981		108.2	100.2	100.7	100.4	98	102	99	125	2 473	7 861	+627
1982		117.1	102.1	101.5	103.9	101	106	99	132	2 621	9 087	+1 446
1983		127.9	107.4	105.0	108.3	110	118	100	150	3 284	10 524	+2 246
1984		138.2	111.3	106.9	111.2	119	126	103	147	3 094	11 507	+2 159
1985		150.4	116.4	110.8	116.7	128	135	105	154	3 812	12 996	+2 586
1986		162.9	122.6	114.4	123.6	137	150	107	155	4 478†	31 515	+2 952
1984	1	133.1	109.0	105.6	108.6	114	122	102	147	771	2 844	+619
	2	137.4	111.0	106.8	111.0	118	125	104	150	974	2 893	+614
	3	139.8	111.8	107.2	111.9	121	127	104	148	604	2 812	+413
	4	142.7	113.5	108.0	113.4	124	131	104	141	745	2 958	+513
1985	1	145.5	114.4	109.1	115.2	125	132	103	148	852	3 103	+586
	2	149.2	115.9	110.4	117.0	127	133	105	151	981	3 083	+533
	3	152.4	117.3	111.8	117.5	128	137	105	157	1 038	3 374	+745
	4	154.3	117.9	111.8	117.2	130	139	106	158	941	3 436	+722
1986	1	157.1	119.3	113.5	120.2	132	141	105	146	948	7 375	+980
	2	160.8	121.3	113.7	120.9	136	148	106	155	1 162	7 739	+418
	3	164.9	123.7	114.4	125.4	138	154	108	162	1 458	8 223	+988
	4	169.4	126.5	116.3	128.2	141	159	110	160	910†	8 178	+586
1987	1	169.3	125.4	116.8	127.8	140	154	109	158	1 132	8 881	+1 012
1985	J	151.6	117.3	111.8	116.4	130	137	106	131	..	1 119	+218
	A	153.9	118.5	112.1	121.7	131	138	105	179	..	1 124	+272
	S	151.9	116.5	111.5	115.1	125	137	106	161	..	1 131	+255
	O	152.1	116.4	111.1	115.1	125	137	106	152	..	1 145	+198
	N	155.3	118.5	112.4	117.0	136	139	105	154	..	1 100	+190
	D	155.3	118.6	111.9	119.0	130	141	106	169	..	1 191 2 282	+334 -
1986	J	155.3	118.2	112.8	120.4	129	139	103	157	..	2 540	+353
	F	156.3	118.6	113.9	117.9	129	141	104	144	..	2 463	+302
	M	159.6	120.9	113.9	121.8	137	144	106	137	..	2 372	+325
	A	159.3	120.7	114.0	119.5	134	149	104	156	..	2 717	+120
	M	158.6	119.6	112.0	119.6	135	146	105	152	..	2 409	+117
	J	163.9	123.2	114.8	123.1	140	150	109	156	..	2 613	+181
	J	162.8	122.6	113.7	123.7	134	152	108	147	..	2 685	+219
	A	165.3	123.9	114.3	125.9	140	154	107	178	..	2 668	+302
	S	166.2	124.5	115.0	126.4	140	154	108	159	..	2 870	+447
	O	167.2	125.0	116.1	126.7	139	154	109	156	..	2 759	+247
	N	171.1	127.8	116.7	132.1	142	160	111	158	..	2 635	+18
	D	169.7	126.7	116.0	126.4	142	162	111	165	..	2 784	+321
1987	J	167.3	123.6	118.1	125.6	139	145	107	159	..	2 695	+320
	F	171.2	127.0	116.6	128.7	142	159	111	162	..	2 949	+323
	M	169.3	125.5	115.9	128.3	138	157	108	153	..	3 237	+389
	A	175.8	130.0	119.6	132.0	151	158	114	147	..	3 080†	+483†
	M	170.0	125.4†	116.1†	123.7†	141†	158†	110†	171†	..	3 043	+380
	J		129.3							..		

1 Monthly averages.
2 Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.
3 The retail sales index has been rebased using detailed information for 1984.
4 Credit business of finance houses and other specialist credit grantors (excluding loans for dealer stock funding and property development), Building Societies in respect of unsecured loans from the beginning of 1987 (as permitted under the terms of the Building Societies Act 1986), retailers, ie clothing retailers, household goods retailers, mixed business retailers (other than co-operative societies) and general mail order houses, and on bank credit cards. The credit business of High Street Banks (other than credit cards), Building Societies (other than unsecured loans) and insurance companies is outside the scope of these series. There is a break at the end of 1985. Before this credit advanced excluded running-account and block discounted agreements by finance houses and other specialist credit grantors, and lending on bank credit cards. Amounts outstanding excluding block discounted agreements outstanding to finance houses and other specialist credit grantors and amounts owed on bank credit cards. An estimate for new credit advanced for December 1985 on the same basis as subsequent figures is included for comparison.
5 These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
6 Following the change in taxation policy for goods vehicles, effective from 1 October 1982, the previous 'private car and van' series has been substituted by an analysis of cars in all taxation classes. Although there are slight differences in the monthly counts between the two series this will not significantly affect movements in the estimates of the underlying trend. The timing of the cyclical turning points has not been affected by the substitution.


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
Monthly rate
Monthly figures
New registration of cars
Thousands
seasonally adjusted
Monthly rate
Monthly figures
Consumer and other credit, change in debt
£ million
seasonally adjusted
Total consumer credit
Monthly rate
Credit business
1982
1983
1984
1985
1986
1987

Gross domestic product and shares of income and expenditure

		Seasonally adjusted													
		£ million			Per cent										
		Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure						Percentage share of gross domestic product (income based)				
							Gross fixed investment					Gross trading profits		Income from self-employment(1)	
		Expenditure based	Income based		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies(1)	Other (1,2)		Other income(3)
		DJBA	DJBE	DIAB	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN
1981		218 222	218 738	314 982	46.5	17.6	1.4	2.1	9.6	21.5	65.4	10.9	3.5	8.8	8.3
1982		235 409	236 551	344 305	46.6	17.6	1.2	2.0	9.7	21.2	67.0	11.9	3.8	9.0	8.3
1983		258 026	258 424	378 410	46.2	17.4	1.5	2.1	9.3	21.2	65.8	13.5	3.7	9.1	7.9
1984		275 020	279 486	412 222	47.4	16.9	1.6	1.8	10.1	22.3	64.5	15.2	2.7	9.8	7.6
1985		302 154	305 362	450 203	47.3	16.5	1.4	1.3	10.6	22.7	64.0	16.2	2.3	9.8	7.6
1986		318 217	323 176	474 452	46.9	16.8	1.6	1.2	10.8	20.6	65.3	14.1	2.6	10.4	7.6
														FBBO	
1983	1	63 348	62 632	92 459	47.9	17.7	1.6	2.1	9.2	21.1	66.2	12.9	3.9	16.9	
	2	62 789	63 715	92 484	46.7	17.7	1.4	2.1	9.3	21.2	66.2	13.0	3.8	17.0	
	3	65 270	65 320	95 459	46.5	17.2	1.5	2.1	9.2	21.2	65.5	14.1	3.4	16.9	
	4	66 619	66 757	98 008	47.9	17.2	1.5	2.1	9.6	21.5	65.3	13.9	3.7	17.0	
1984	1	67 570	68 031	99 512	47.7	17.0	1.6	2.0	9.7	22.0	64.7	14.6	3.4	17.3	
	2	67 638	68 635	101 132	48.2	17.0	1.6	1.8	10.1	21.9	64.9	14.6	3.0	17.6	
	3	68 724	70 609	103 585	47.2	17.1	1.6	1.8	10.4	22.2	63.9	15.9	2.6	17.5	
	4	71 088	72 214	107 993	46.5	16.7	1.5	1.6	10.3	23.0	64.6	15.8	2.0	17.5	
1985	1	73 502	73 666	111 088	46.5	16.5	1.3	1.4	11.1	23.4	64.3	16.7	1.6	17.5	
	2	74 994	76 098	112 187	46.7	16.5	1.4	1.3	10.1	23.5	63.7	16.6	2.5	17.2	
	3	75 867	77 052	112 226	48.1	16.5	1.5	1.3	10.6	22.0	64.1	15.8	2.7	17.3	
	4	77 791	78 546	114 702	48.0	16.5	1.5	1.1	10.6	22.0	64.0	15.9	2.5	17.6	
1986	1	78 827	79 243	116 163	48.5	16.7	1.7	1.2	10.8	20.8	64.6	15.0	2.5	17.9	
	2	78 601	79 856	116 589	49.3	17.0	1.6	1.2	10.7	20.5	65.5	13.7	2.7	18.1	
	3	79 406†	81 454	118 971	49.5	16.7	1.5	1.2	11.1	20.1	65.1	14.3	2.5	18.1	
	4	81 381	82 623	122 729	48.3	16.7	1.5	1.1	10.8	21.0	65.8	13.6	2.6	18.1	
1987	1	83 417	84 395	123 339	48.7	16.6	1.3	1.0	11.0	21.1	65.2	14.6	2.1	18.0	

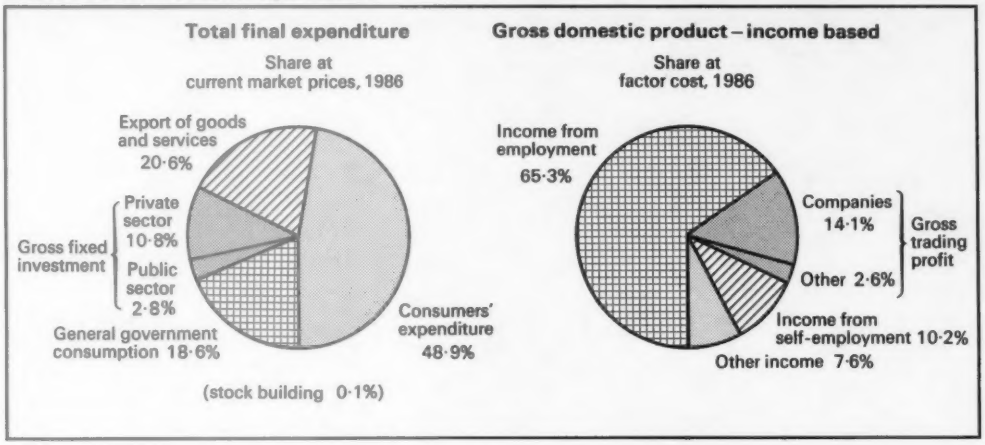
1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

Income, product and spending per capita

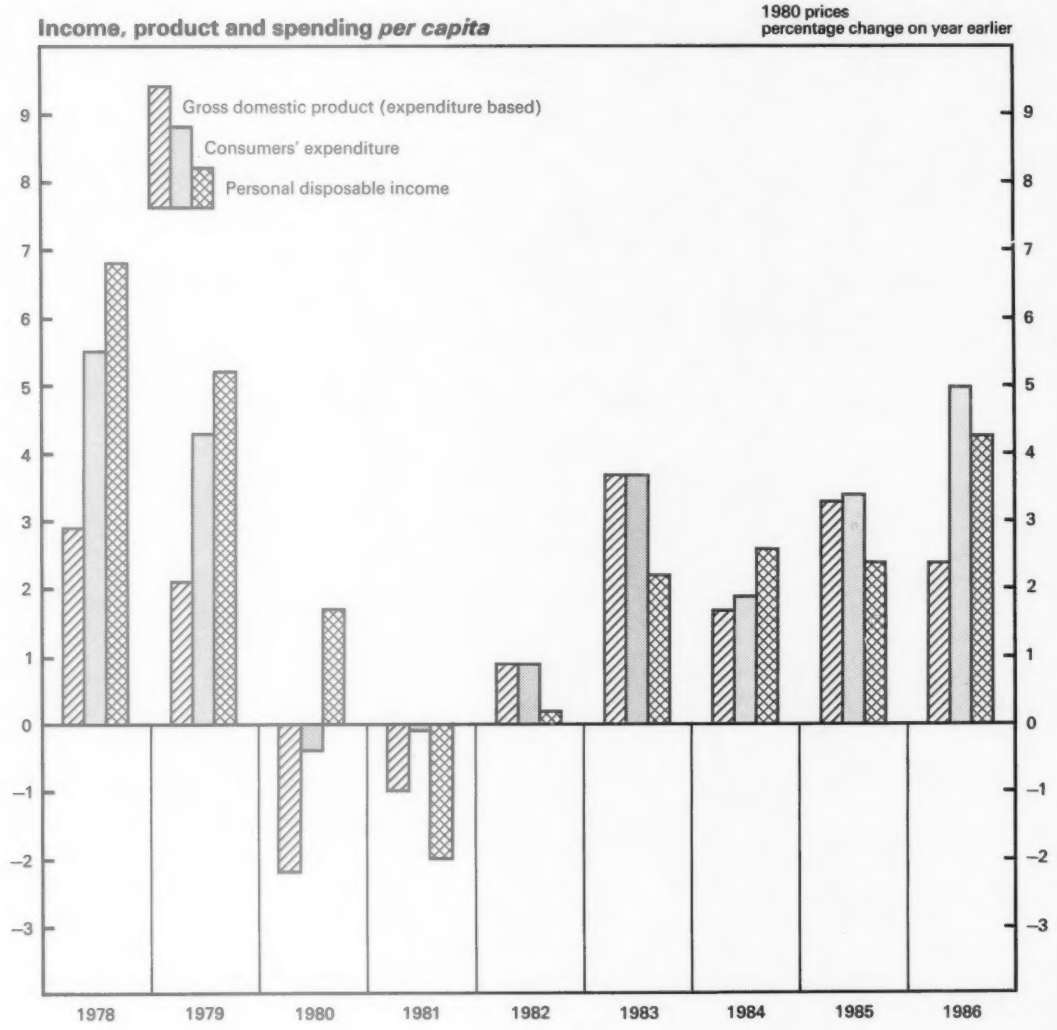
		Seasonally adjusted					
		£, current prices				£, 1980 prices		
		Gross national product(1)	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income	Gross domestic product(1,2)	Consumers' expenditure	Personal disposable income
		FBCA	FBCB	FBCC	FBCD	FBCE	FBCF	FBCH
1981		3 887	3 871	2 711	3 131†	3 511	2 434	2 811
1982		4 198	4 179	2 971	3 412	3 542	2 455	2 818
1983		4 623	4 577	3 239	3 664	3 672	2 547	2 881†
1984		4 947	4 869	3 458	3 936	3 734	2 598	2 955
1985		5 397	5 337	3 765	4 245	3 862	2 684	3 027
1986		5 706	5 617	4 095	4 586	3 956	2 819	3 157
								CAIU
1983	1	1 136	1 124	785	882†	919	627	704†
	2	1 118	1 114	799	911	905	633	722
	3	1 175	1 158	822	925	921	643	724
	4	1 193	1 181	833	945	927	644	731
1984	1	1 211	1 197	842	955	934	642	729
	2	1 214	1 198	862	969	923	651	732
	3	1 238	1 216	865	978	931	647	731
	4	1 284	1 258	889	1 034	946	656	763
1985	1	1 316	1 299	914	1 028	962	662	744
	2	1 340	1 325	925	1 054	967	664	757
	3	1 362	1 340	953	1 063	965	676	754
	4	1 379	1 373	973	1 102	968	682	772
1986	1	1 412	1 392	998	1 117	991	691	775
	2	1 407	1 388	1 014	1 143	984	703	792
	3	1 428	1 401	1 040	1 156	983	713	793
	4	1 459	1 436	1 045	1 170	998	712	797
1987	1	1 493†	1 472†	1 059	1 205	1 015	715	813

1 At factor cost.
2 Based on expenditure data.

Shares of income and expenditure



Income, product and spending *per capita*



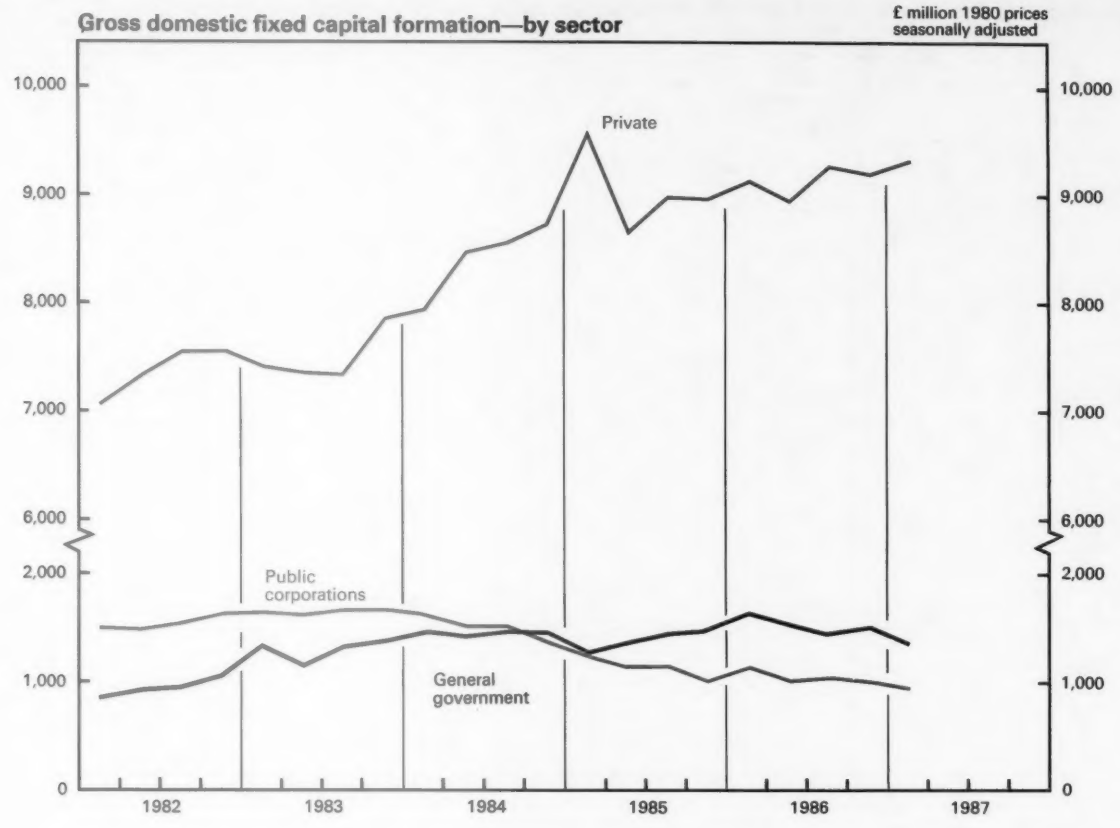
Gross domestic fixed capital formation by sector and by type of asset

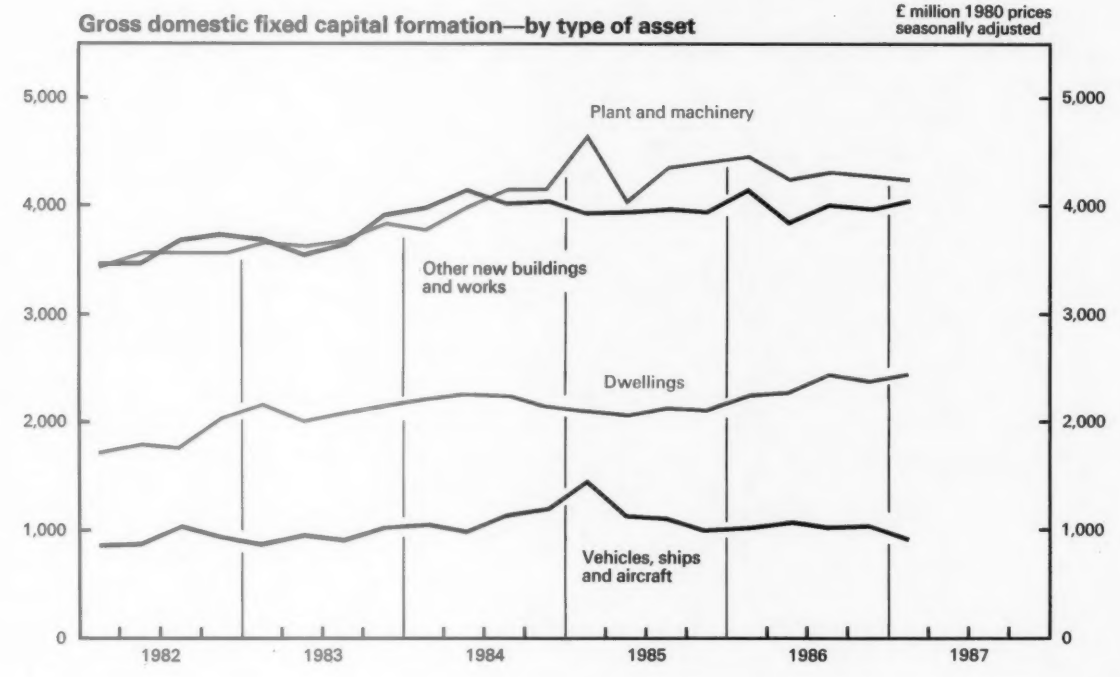
Seasonally adjusted

£ million, 1980 prices(1)

		Sector(2)			Type of asset					
					Dwellings					
		Total	Private sector	General government	Public corporations	Total	of which: Private	of which: Public	Other new building and works(3)	Vehicles, ships and aircraft	Plant and machinery
		DFDM	DFDQ	DFDS	DFDZ	DFDV	DFDP	DFDR	DFDU	DFEH	DFCY
1977		41 441	26 510	7 555	7 285	8 976	5 560	3 382	14 777	4 722	13 001
1978		42 726	29 201	6 718	6 807	9 048	5 934	3 114	14 563	5 187	13 928
1979		43 954	30 732	6 423	6 799	9 361	6 468	2 893	14 137	5 448	15 010
1980		41 774	29 641	5 498	6 635	8 675	6 116	2 559	13 544	4 577	14 978
1981		37 833	27 727	4 061	6 045	7 174	5 454	1 720	13 203	3 618	13 838
1982		39 463	29 531	3 798	6 134	7 284	5 457	1 827	14 401	3 694	14 084
1983		41 718	29 935	5 183	6 600	8 417	6 075	2 342	14 730	3 697	14 874
1984		45 505	33 683	5 797	6 025	8 857	6 616	2 251	16 190	4 334	16 114
1985		46 357	36 220	5 626	4 511	8 409	6 415	1 994	15 858	4 689	17 401
		DECU	DFEB	DFED	DFDA	DFEG	DFEA	DFEC	DFCV	DEBP	DEBO
1982	1	9 418	7 064	856	1 498	1 704	1 279	425	3 446	851	3 417
	2	9 714	7 328	906	1 480	1 795	1 366	429	3 478	873	3 568
	3	10 020	7 541	944	1 535	1 766	1 324	442	3 674	1 013	3 567
	4	10 225	7 550	1 054	1 621	2 019	1 488	531	3 721	917	3 568
1983	1	10 347	7 403	1 312	1 632	2 157	1 519	638	3 677	870	3 643
	2	10 133	7 368	1 152	1 613	2 002	1 472	530	3 546	959	3 626
	3	10 327	7 344	1 307	1 676	2 094	1 519	575	3 648	906	3 679
	4	10 905	7 852	1 374	1 679	2 164	1 565	599	3 902	1 015	3 824
1984	1	11 002	7 940	1 446	1 616	2 203	1 615	588	3 881	1 045	3 773
	2	11 376	8 456	1 403	1 517	2 267	1 709	558	4 123	995	3 991
	3	11 541	8 564	1 459	1 518	2 251	1 665	586	4 017	1 134	4 139
	4	11 553	8 726	1 453	1 374	2 146	1 607	539	4 045	1 199	4 163
1985	1	12 119	9 578	1 288	1 255	2 100	1 574	526	3 932	1 455	4 632
	2	11 171	8 658	1 378	1 135	2 070	1 590	480	3 956	1 121	4 024
	3	11 567	8 988	1 441	1 138	2 124	1 621	503	3 977	1 109	4 357
	4	11 474	8 986	1 486	1 002	2 115	1 630	485	3 956	1 003	4 400
1986	1	11 880	9 121	1 628	1 131	2 247	1 654	593	4 140	1 032	4 461
	2	11 486	8 951	1 521	1 014	2 292	1 813	479	3 849	1 083	4 262
	3	11 796	9 285	1 462	1 049	2 447	1 975	472	4 009	1 037	4 303
	4	11 709	9 204	1 505	1 000	2 397	1 887	510	3 988	1 042	4 282
1987	1	11 666	9 335	1 371	960	2 441	1 928	513	4 081	917	4 247
		Percentage change, quarter on corresponding quarter of previous year									
1982	1	-0.4	+3.7	-24.7	-0.7	-9.7	-13.1	+2.7	+5.5	+5.2	-2.2
	2	+2.4	+6.7	-18.4	-2.1	-4.8	-4.1	-6.9	+8.2	-7.1	+3.4
	3	+5.9	+6.5	+7.5	+2.1	-1.5	-2.5	+1.8	+11.1	+17.4	+1.9
	4	+8.6	+8.2	+15.4	+6.6	+25.3	+24.0	+29.2	+9.2	-2.2	+3.3
1983	1	+9.9	+4.8	+53.3	+8.9	+26.6	+18.8	+50.1	+6.7	+2.2	+6.6
	2	+4.3	+0.5	+27.2	+9.0	+11.5	+7.8	+23.5	+2.0	+9.9	+1.6
	3	+3.1	-2.6	+38.5	+9.2	+18.6	+14.7	+30.1	-0.7	-10.6	+3.1
	4	+6.7	+4.0	+30.4	+3.6	+7.2	+5.2	+12.8	+4.9	+10.7	+7.2
1984	1	+6.3	+7.3	+10.2	-1.0	+2.1	+6.3	-7.8	+8.3	+20.1	+3.6
	2	+12.3	+14.8	+21.8	-6.0	+13.2	+16.1	+5.3	+16.3	+3.8	+10.1
	3	+11.8	+16.6	+11.6	-9.4	+7.5	+10.9	-1.6	+10.1	+25.2	+12.5
	4	+5.9	+11.1	+5.8	-18.2	-0.8	+2.7	-10.0	+3.7	+18.1	+8.9
1985	1	+10.2	+20.6	-11.1	-22.3	-4.7	-2.5	-10.5	-1.2	+39.2	+22.8
	2	-1.8	+2.4	-1.8	-25.2	-8.7	-7.0	-14.0	-4.1	+12.7	+0.8
	3	+0.2	+5.0	-1.2	-25.0	-5.6	-3.8	-11.1	-1.0	-2.2	+5.3
	4	-0.7	+3.0	+2.3	-27.1	-1.4	+1.4	-10.0	-2.2	-16.3	+5.7
1986	1	-2.0	-4.8	+26.6	-9.9	+7.0	+5.1	+12.7	+5.3	-29.1	-3.7
	2	+2.5	+3.4	+10.4	-10.7	+10.7	+14.0	-0.2	-2.7	-3.4	+5.9
	3	+2.0	+3.3	+1.5	-7.8	+15.2	+21.8	-6.2	+0.8	-6.5	-1.2
	4	+2.0	+2.4	+1.3	-0.2	+13.3	+15.8	+5.2	+0.8	+3.9	-2.7
1987	1	-1.8	+2.3	-15.8	-15.1	+8.6	+16.6	-13.5	-1.9	-11.1	-4.8

1 For the years before 1978, totals may not equal the sum of their components, because of the method used in rebasing to 1980 prices.
2 Including purchases less sales of land and existing buildings.
3 Including transfer costs of land and buildings.


Gross domestic fixed capital formation—by sector
£ million 1980 prices
seasonally adjusted
10,000
9,000
8,000
7,000
6,000
2,000
1,000
0
Private
Public
corporations
General
government
1982
1983
1984
1985
1986
1987


Gross domestic fixed capital formation—by type of asset
£ million 1980 prices
seasonally adjusted
5,000
4,000
3,000
2,000
1,000
0
Plant and machinery
Other new buildings
and works
Dwellings
Vehicles, ships
and aircraft
1982
1983
1984
1985
1986
1987

Indicators of fixed investment by manufacturing industry (revised definition)

		Gross fixed investment by manufacturing industry (excluding leased assets)							New orders received by contractors for private industrial work(GB)
			Plant and machinery			New building and works			
		Total*	Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1980 prices, seasonally adjusted	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted	Percentage change on year earlier	Balance(1)	£ million, 1980 prices, seasonally adjusted
		DECV	FBAJ	FBAK	FBAD	FBAL	FBAM	FBAG	DPBT
1977		6 774	4 992	+3	..	1 136	+8	..	2 144
1978		7 219	5 319	+7	..	1 276	+12	..	2 241
1979		7 496	5 554	+4	..	1 305	+2	..	2 241
1980		6 479	4 959	-11	..	1 053	-19	..	1 803
1981		4 865	3 719	-25	..	769	-27	..	1 611
1982		4 704	3 646	-2	..	657	-15	..	1 364
1983		4 779	3 771	+3	..	585	-11	..	1 602
1984		5 755	4 439	+18	..	878	+50	..	2 227
1985		5 850	4 524	+2	..	926	+5	..	2 007
1986		5 840	4 506	-	..	940	+2	..	1 845
1981	4	1 169	886	-18	-13	177	-27	-33	403
1982	1	1 164	893	-9	-5	174	-24	-25	356
	2	1 173	912	-2	-2	159	-19	-25	335
	3	1 186	920	-	-11	162	-3	-26	353
	4	1 181	920	+4	-20	163	-8	-33	321
1983	1	1 117	890	-	-5	134	-23	-26	422
	2	1 165	923	+1	6	138	-13	-15	376
	3	1 207	942	+2	18	156	-4	-5	438
	4	1 290	1 015	+10	12	156	-4	-8	365
1984	1	1 385	1 057	+20	20	195	+46	-5	543
	2	1 421	1 096	+19	21	214	+55	-3	543
	3	1 447	1 124	+19	14	223	+43	-5	526
	4	1 502	1 153	+14	18	247	+58	-5	615
1985	1	1 498	1 146	+7	11	246	+26	-8	544
	2	1 424	1 096	-	14	231	+8	-3	841
	3	1 447	1 124	-	-	224	-	-21	425
	4	1 481	1 158	-	4	225	-8	-21	397
1986	1	1 483	1 153	+1	2	233	-6	-16	478
	2	1 455	1 141	+4	10	216	-6	-15	450
	3	1 461	1 112	-1	5	240	+7	-15	494
	4	1 441	1 102	-5	8	251	+12	-13	423
1987	1	1 490	1 149	-	10	248	+6	-10	642
	2				13			-3	

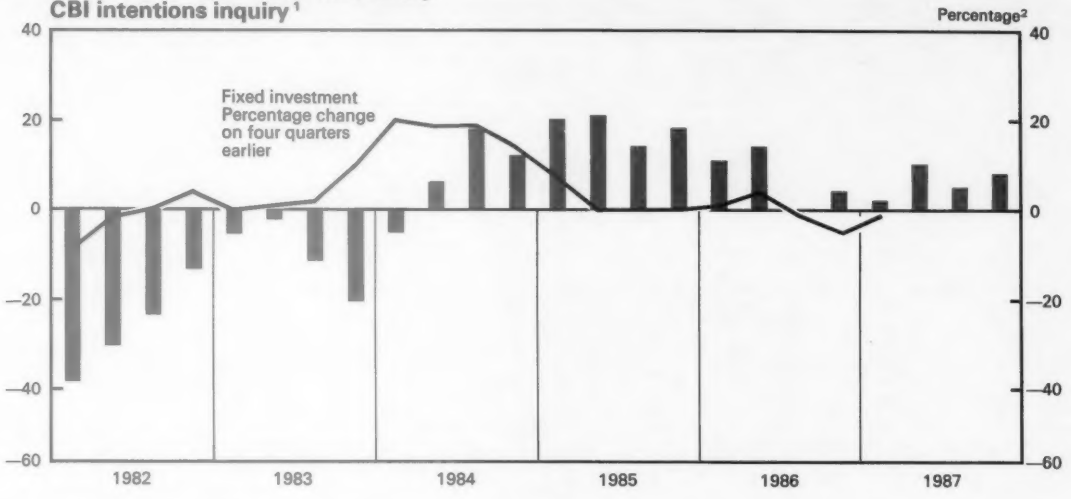
1 Percentage of firms expecting to authorise more in next 12 months less percentage expecting to authorise less.

Department of Trade and Industry inquiry into investment intentions: manufacturing industry (2)

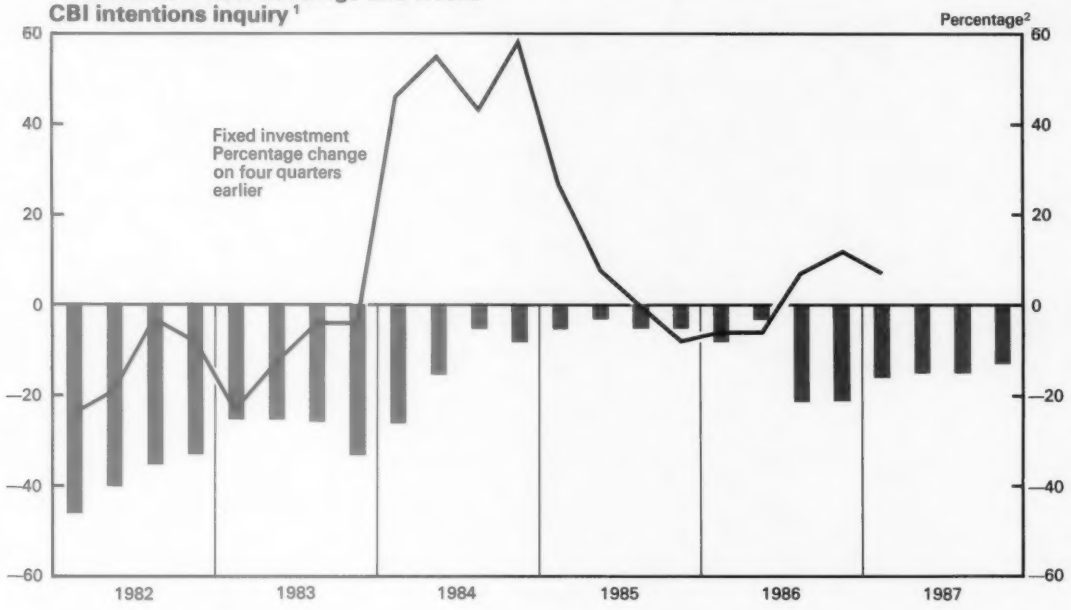
	Percentage change over previous year, in volume terms				
	Gross fixed investment (excluding leased assets)				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1975	Little change	Little change	-7 to -10	Of order of -15	-7
1976	Further reduction	Little change	-5 to -8	About -6	-5
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+7
1979	Rise, less than +8	Rise less than +8	+4 to +8	+2 to +5	+4
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-14
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-25
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-3
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	+2
1984	No recovery	Slow growth	Rise, around 10	About +12	+20
1985	Little change	Rise, around 8	About +7	Around +9	+2
1986	Slight fall	Slight fall	Rise, around 4	About +8	-
1987	Little change	Small increase	Rise, around 3	About +6	
1988	Further rise	Further increase			

2 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

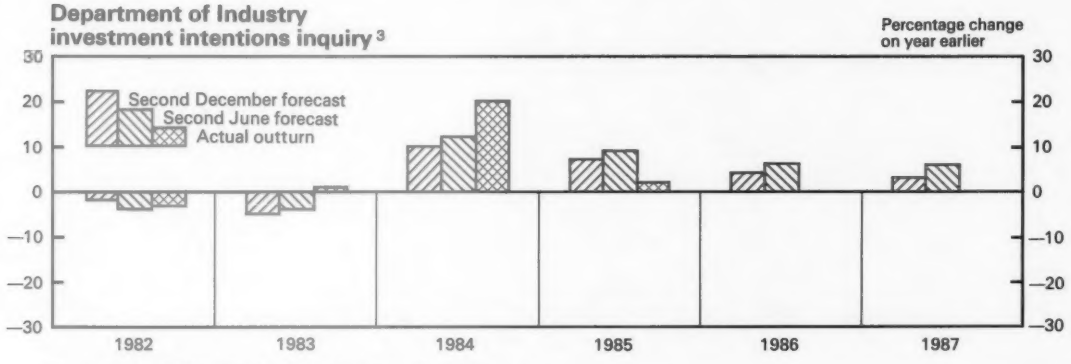
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Industry
investment intentions inquiry [3]



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

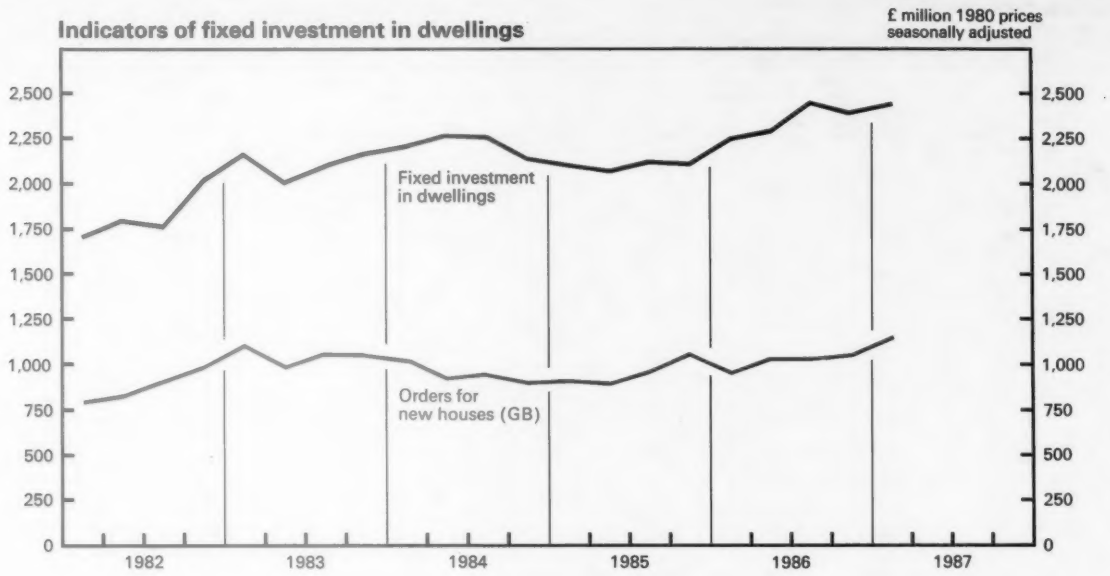
[3]See footnote[2] on page 18

Indicators of fixed investment in dwellings

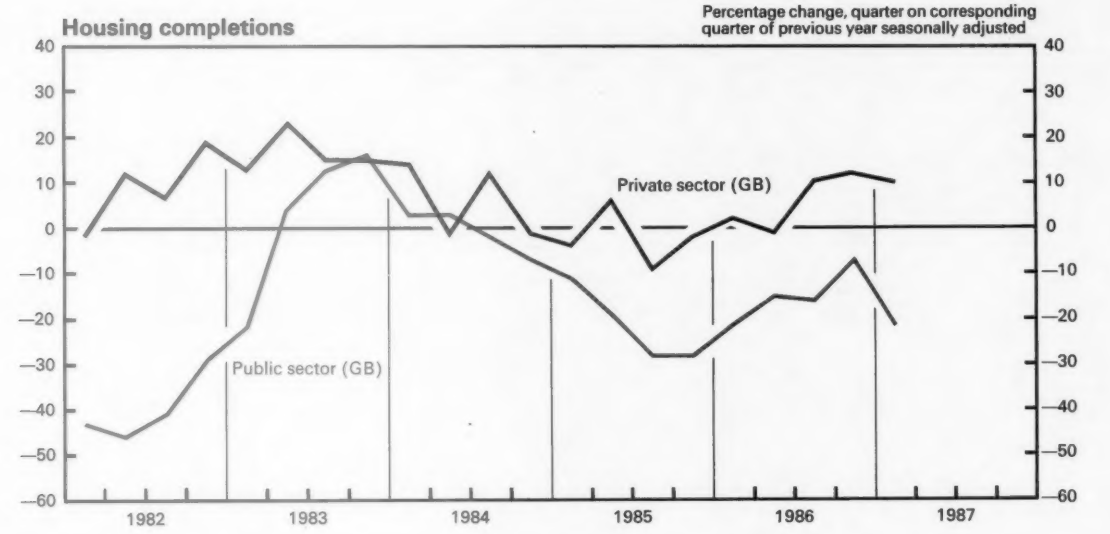
		Seasonally adjusted								Unadjusted
		£ million, 1980 prices		Thousands				£ million		1980 = 100
				Housing starts (GB)		Housing completions (GB)		Building societies		
		Fixed investment in dwellings	Orders received by contractors for new houses (GB)	Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	Average price of new dwellings: mortgages approved(1)
		DFDV	FCAA	FCAB	FCAC	FCAD	FCAE	AHLC	AHLH	FCAZ
1978		9 048	4 733	157.3	107.4	149.0	130.7	1 523	1 504	65
1979		9 361	4 001	144.0	81.2	140.5	104.0	1 498	1 519	84
1980		8 675	2 702	98.9	56.4	127.5	106.9	1 444	1 406	100
1981		7 174	2 559	116.7	37.2	114.3	84.7	1 427	1 456	102
1982		7 284	3 548	140.5	53.0	123.9	50.1	1 931	1 718	104
1983		8 417	4 231	169.8	48.0	144.4	50.5	2 419	2 330	116
1984		8 867	3 826	153.7	40.2	153.3	50.1	2 980	2 900	125
1985		8 409	3 856	159.5	33.9	149.1	39.6	2 963	2 900	136
1986			4 110	173.7	31.8	160.0	33.3			160
		DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	
1982	1	1 704	796	36.0	13.4	29.9	15.4	125	116	99
	2	1 795	839	33.6	12.7	30.0	12.0	157	135	104
	3	1 766	916	35.2	12.6	30.9	11.3	184	146	104
	4	2 019	999	35.7	14.1	33.1	11.4	198	175	108
1983	1	2 157	1 114	45.5	14.9	33.8	12.0	197	187	112
	2	2 002	994	41.7	11.7	37.0	12.5	188	187	116
	3	2 094	1 062	40.6	9.7	35.5	12.9	199	196	118
	4	2 164	1 064	42.0	11.3	38.0	13.1	222	206	117
1984	1	2 203	1 032	40.4	12.1	38.7	12.3	244	229	121
	2	2 267	935	38.6	10.1	36.5	12.9	272	242	125
	3	2 251	950	38.1	9.7	39.6	12.7	239	253	127
	4	2 146	909	36.6	8.3	38.5	12.2	238	242	125
1985	1	2 100	911	36.9	8.2	37.1	10.8	238	237	130
	2	2 070	909	40.0	8.4	38.7	10.4	229	239	134
	3	2 124	973	40.6	8.3	36.1	9.5	252	234	137
	4	2 115	1 063	42.5	8.8	37.5	8.8	269	257	144
1986	1	2 247	960	40.5	7.9	37.8	8.4	270	253	147
	2	2 292	1 044	43.3	7.6	39.4	8.9	335	280	158
	3	2 447	1 043	46.4	8.4	40.6	8.0	328	305	165
	4	2 397	1 061	43.5	7.9	42.2	8.0	265	324	167
1987	1	2 441	1 167†	47.8†	8.8†	41.8†	6.6	276	223	173
	2									181†
1985	A	..	308	13.3	3.0	11.8	3.2	252	226	138
	S	..	340	13.8	2.7	12.3	3.2	271	240	140
	O	..	361	14.7	2.8	12.1	2.9	270	257	143
	N	..	378	14.1	3.1	12.2	3.1	286	255	144
	D	..	324	13.7	2.9	13.2	2.8	250	259	146
1986	J	..	359	14.2	2.6	12.0	2.8	266	257	146
	F	..	286	11.2	2.5	12.8	2.8	283	256	146
	M	..	315	15.1	2.8	13.0	2.8	259	247	150
	A	..	348	13.2	2.7	12.6	3.0	330	276	156
	M	..	334	15.1	2.3	12.3	2.5	331	274	158
	J	..	362	15.0	2.8	14.5	3.4	344	290	163
	J	..	359	15.2	2.9	13.1	2.3	343	306	164
	A	..	346	15.7	2.6	13.6	2.7	332	300	165
	S	..	338	15.5	2.9	13.9	3.0	309	309	165
	O	..	358	14.9	2.9	13.4	2.8	281	333	166
	N	..	367	15.3	2.4	14.6	2.5	237	301	167
	D	..	336	13.3	2.6	14.2	2.9	277	337	169
1987	J	..	422	13.9	2.2	13.5	2.0	283	179	170
	F	..	403	17.7†	2.1	14.0†	2.7	271	213	173
	M	..	342†	16.2	2.5†	14.1	1.9	273	277	176
	A	..	346	15.6	2.7	13.7	2.5	288	279	179
	M	..	384	13.7	1.9	12.7	2.0†	281†	274†	183
	J	..								182†

1 Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

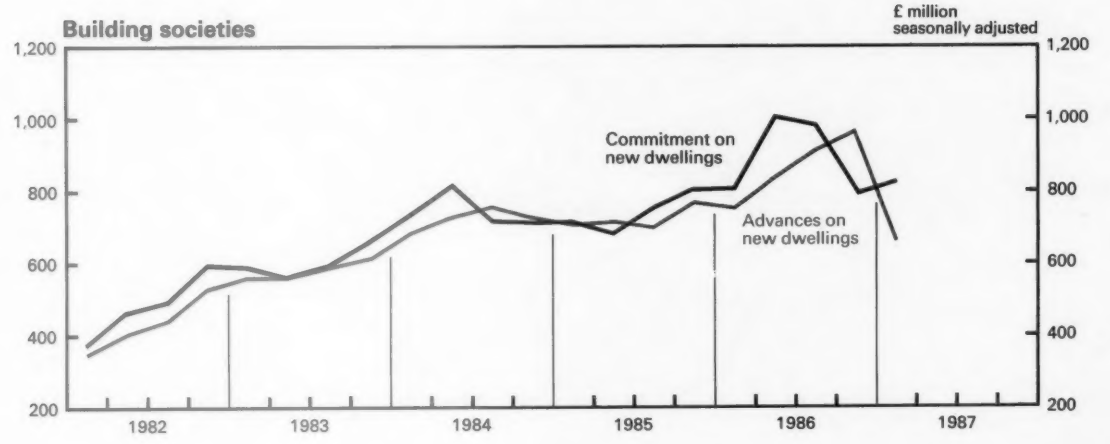
Indicators of fixed investment in dwellings



Housing completions



Building societies



Stock changes

£ million, 1980 prices, seasonally adjusted

		All industries	Energy and Water supply	Manufacturing(1) - revised definition				Distribution		Other industries
				Total	Materials and fuels	Work in progress	Finished goods	Wholesale(2)	Retail(3)	
Value of stocks and work in progress end - December 1984(4)		66 389	3 941	3 1608	9 792	12 004	9 812	9 516	7 320	13 984
		DGWA	DHBQ	DHBM	DGAX	DGAY	DGAW	DHBO	DHBN	DHBR
1981	4	+46	-165	165	-109	151	124	-28	71	-89
1982	1	610	26	-84	-37	-92	64	332	112	204
	2	197	107	-19	27	-20	-26	20	102	-13
	3	-852	-123	-373	-183	-131	-59	-146	-29	-181
	4	-1 039	22	-657	-292	-229	-136	-211	-173	-20
1983	1	433	136	38	-172	255	-45	-149	-83	471
	2	-108	-72	-65	-82	-95	113	145	-116	-
	3	302	53	-274	-125	37	-186	27	148	348
	4	53	-129	169	123	-16	61	-60	22	51
1984	1	207	-252	105	-24	62	67	24	146	184
	2	-419	-238	-59	5	54	-119	-73	48	-97
	3	-167	-167	105	49	3	54	32	-96	-41
	4	343	-140	150	-9	-10	169	-3	299	37
1985	1	-44	-30	-218	-8	-153	-55	-60	-51	313
	2	493	-97	215	-42	27	230	74	101	200
	3	89	-58	-21	14	72	-108	-133	120	179
	4	-35	206	-463	-89	-235	-138	-38	34	226
1986	1	518	-106	-178	31	-111	-94	309	107	384
	2	-180	-104	69	-23	13	78	-185	168	-128
	3	-168	-48	-50	-18	13	-45	-197	132	-5
	4	465	179	-188	-122	-27	-41	148	176	150
1987	1	328	-27	196	68	219	-90	119	16	22

1 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.
2 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
3 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
4 Unadjusted 1980 price stock levels.

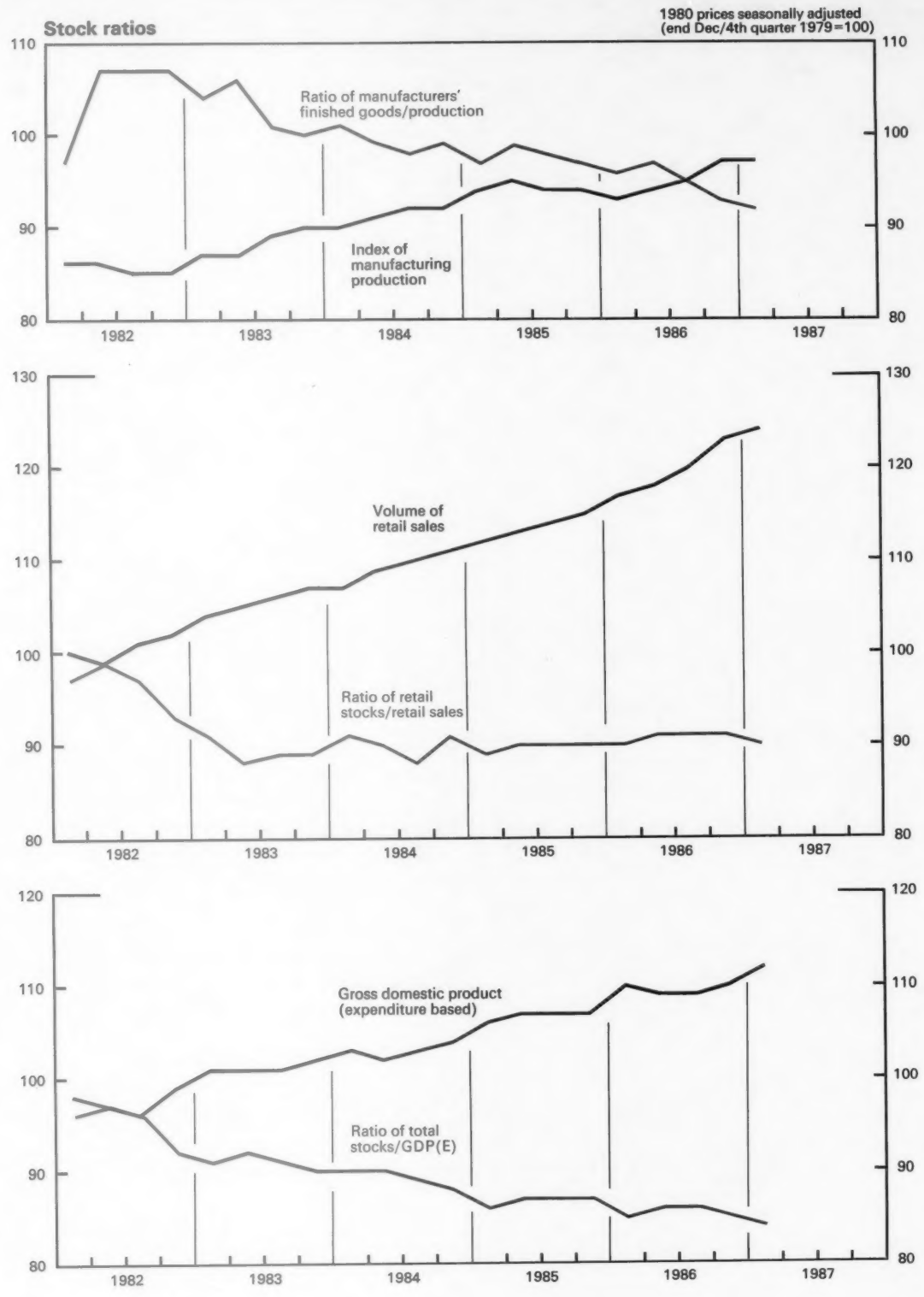
Stock ratios

Seasonally adjusted

1980 prices: stocks level, end - Dec 1979=100; GDP(E), industrial production and retail sales, 4th quarter 1979=100

		Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production (revised definition)				Retail stocks to retail sales(1)
			Total stocks	Materials and fuel	Work in progress	Finished goods	
		FDCA	FDCB	FDCC	FDCD	FDCE	FDCF
1981	4	95	103	95	109	107	98
1982	1	96	104	95	108	108	97
	2	97	103	95	108	107	99
	3	96	103	94	108	107	97
	4	92	102	92	107	107	93
1983	1	91	99	89	106	104	91
	2	92	100	88	106	106	88
	3	91	97	85	104	101	89
	4	90	96	85	102	100	89
1984	1	90	95	84	102	101	91
	2	90	95	84	102	99	90
	3	89	94	83	101	98	88
	4	88	94	83	100	99	91
1985	1	86	92	82	98	97	89
	2	87	92	80	97	99	90
	3	87	92	81	98	98	90
	4	87	91	80	96	97	90
1986	1	85	90	81	95	96	90
	2	86	91	81	95	97	91
	3	85	89	79	94	95	91
	4	85	87	77	92	93	91
1987	1	84	88	77	94	92	90

1 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.

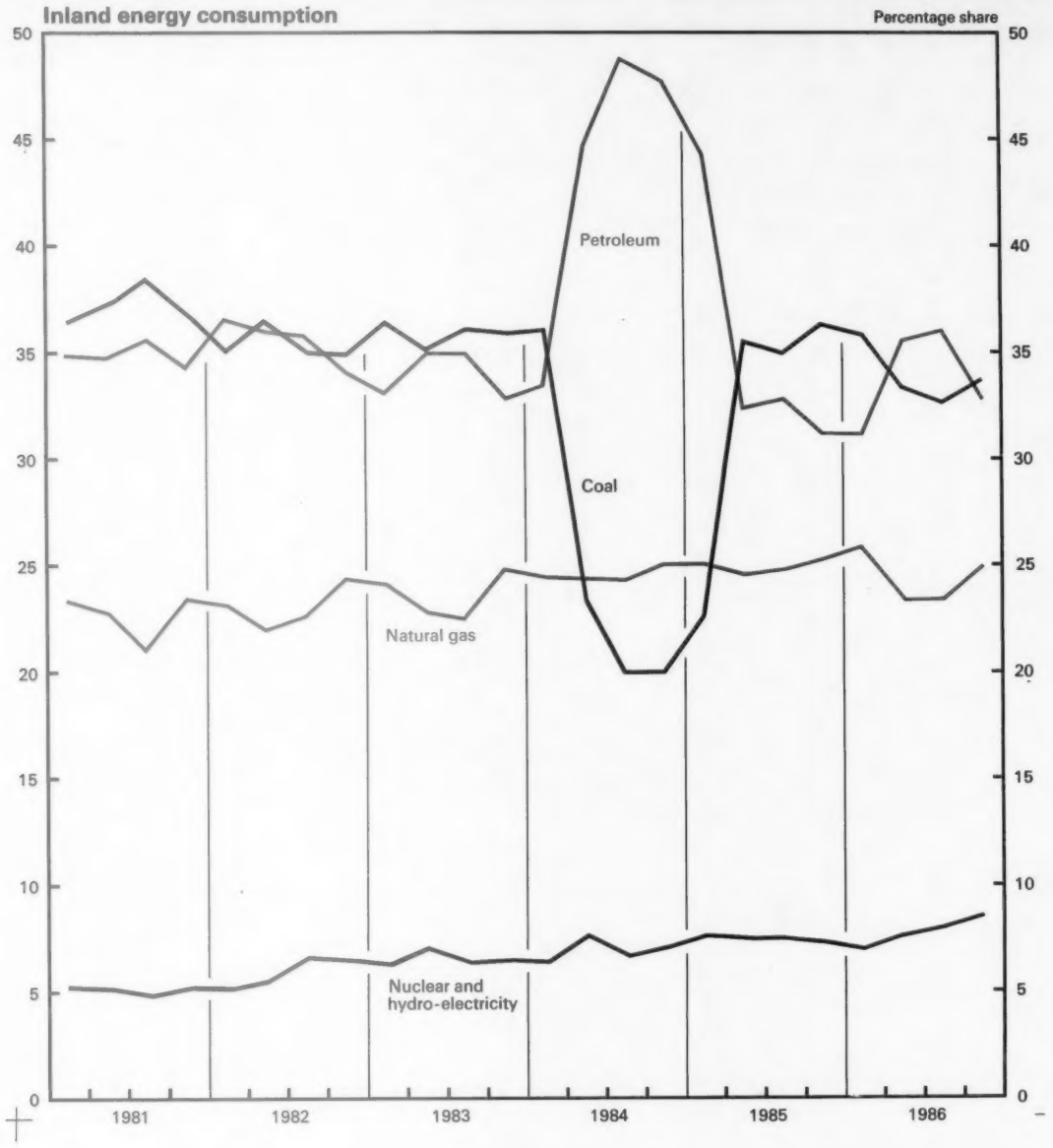

Stock ratios
1980 prices seasonally adjusted
(end Dec/4th quarter 1979=100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Volume of retail sales
Ratio of retail stocks/retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1982
1983
1984
1985
1986
1987

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input							Public supply
		Million tonnes of coal or coal equivalent							Thousand million kilowatt hours
						Primary electricity(5)			
		Total	Coal(1,2)	Petroleum(3)	Natural gas(4)	Nuclear	Hydro(6)	Net imports	Electricity available-GB(7)
		FDAH	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAN
1976		331.5	123.0	134.2	59.5	12.9	1.9	-	236.7
1977		338.2	122.4	136.8	62.7	14.3	2.0	-	240.2
1978		339.1	119.4	139.2	65.0	13.4	2.1	-	246.3
1979		349.3	127.2	137.0	69.1	13.8	2.2	-	255.0
1980		327.2	120.1	121.2	70.5	13.4	2.0	-	245.9
1981		315.3	117.5	110.2	71.6	13.7	2.3	-	239.2
1982		311.7	109.6	110.8	72.9	16.0	2.4	-	236.2
1983		313.6	111.6	105.9	75.6	18.1	2.4	-	242.3
1984		312.1	78.5	134.7	77.3	19.5	2.1	-	246.0
1985		323.4	104.9†	113.2†	80.9†	22.2	2.2	-	255.8
1986		327.8†	110.8	111.1	80.4	21.4†	2.4	1.7	261.3
1981	4	312.9	115.6	107.4	73.6	13.8	2.5	-	240.3
1982	1	312.3	109.4	114.4	72.6	13.5	2.4	-	238.3
	2	305.3	111.4	110.0	67.2	14.2	2.5	-	235.4
	3	317.7	111.3	113.7	71.8	18.8	2.1	-	243.5
	4	307.3	107.4	105.0	74.9	17.4	2.6	-	236.3
1983	1	311.0	113.1	103.0	75.3	16.8	2.8	-	236.4
	2	310.6	109.0	108.4	71.1	19.4	2.7	-	241.7
	3	322.1	116.3	112.6	72.6	18.9	1.7	-	248.4
	4	309.4	110.9	101.7	76.8	17.8	2.2	-	242.8
1984	1	312.3	112.8	103.1	76.6	17.5	2.4	-	242.3
	2	306.6	71.9	136.5	74.7	21.6	2.0	-	244.3
	3	312.4	62.6	152.8	76.0	19.5	1.4	-	250.3
	4	313.1	62.6	149.9	78.5	20.1	2.0	-	247.2
1985	1	319.6†	72.0†	143.0†	79.4†	23.3†	2.1	-	263.9†
	2	326.4	117.5	103.1	81.5	22.3	2.0	-	258.4
	3	328.0	115.1	106.6	81.7	22.3	2.1	-	260.2
	4	319.1	115.1	100.0	80.9	21.0	2.2	-	254.9
1986	1	324.8	115.2	103.0	83.3	21.0	2.2	0.2	258.3
	2	332.3	111.6	116.9	78.8	21.2	2.2	1.6	265.3
	3	326.8	107.1	116.6	77.6	21.8	2.4	1.3	260.4
	4	326.8	109.4	107.8	81.9	21.5	2.3	3.9	261.0
1987	1	325.4	112.4	100.8	85.1	21.2	2.3†	3.7†	263.9
		Percentage change, quarter on corresponding quarter of previous year							
		FDAO	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAU
1981	4	-2.6	-1.7	-6.9	+2.6	-2.8	+8.7	-	-1.6
1982	1	-1.7	-5.6	+2.9	-2.3	+0.4	-20.0	-	+1.1
	2	-2.0	-0.4	+1.3	-5.4	+0.4	+30.4	-	-1.5
	3	-0.5	-8.5	+0.1	+6.7	+40.2	+14.7	-	+0.6
	4	-1.8	-7.1	-2.2	+1.7	+25.5	+4.6	-	-1.7
1983	1	-1.4	+0.5	-10.0	+3.7	+23.9	+18.5	-	-0.8
	2	+1.6	-2.5	-1.5	+5.8	+36.7	+8.8	-	+2.7
	3	+0.9	+3.1	-1.0	+1.1	+0.5	-19.7	-	+2.0
	4	+1.0	+4.3	-3.1	+2.5	+2.3	-14.0	-	+2.8
1984	1	+0.4	-0.2	-	+1.7	+4.3	-15.8	-	+2.5
	2	-1.3	-34.0	+25.9	+5.0	+10.9	-25.8	-	+1.1
	3	-3.0	-46.1	+35.8	+4.7	+2.8	-15.6	-	+0.8
	4	+1.2	-43.5	+47.5	+2.2	+12.6	-9.6	-	-1.2
1985	1	+2.3	-36.2	+38.7	+3.6	+33.3	+11.9	-	+3.1
	2	+6.3	+63.4	-24.4	+9.1	+3.6	-15.8	-	+5.8
	3	+4.7	+83.8	-30.3	+7.5	+4.2	-7.0	-	+4.0
	4	+1.9	+83.8	-33.3	+2.9	+4.7	+5.8	-	+3.1
1986	1	+1.6	+80.0	-28.0	+4.9	-10.0	+6.8	+	+3.4
	2	+1.8	-5.0	+13.4	-3.4	-5.2	+14.2	+	+2.6
	3	-0.4	-7.0	+9.4	-5.0	-1.8	+14.6	+	+0.1
	4	+2.4	-5.0	+7.8	+1.1	+2.5	+5.8	+	+2.4
1987	1	+0.2	-2.4	-2.1	+1.8	+0.9	+2.3	+	+2.2

1 Consumption by fuel producers plus colliery disposals to final users plus net foreign trade and stock change in other solid fuels.
2 Coal data for 1983 have been adjusted, for the purposes of comparison with 1984, to take account of calendar differences between 1983 and 1984.
3 Inland deliveries for energy use plus refinery fuel and losses minus the difference between deliveries and actual consumption at power stations and gas works.
4 Excluding gas flared or re-injected.
5 Data for primary electricity are not temperature corrected, and hydro electricity and net imports are not seasonally adjusted.
6 Hydro electricity quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year,not the data shown in the table.
7 The inclusion of Northern Ireland would add about 2 per cent to the total.


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1981
1982
1983
1984
1985
1986

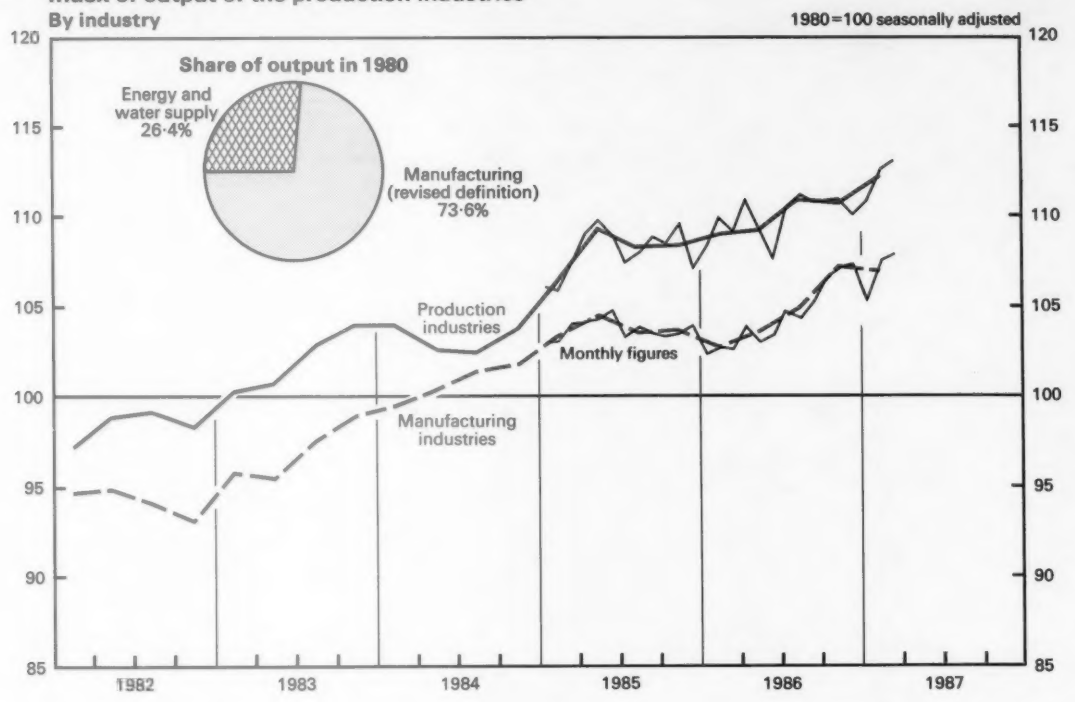
Index of output of the production and construction industries

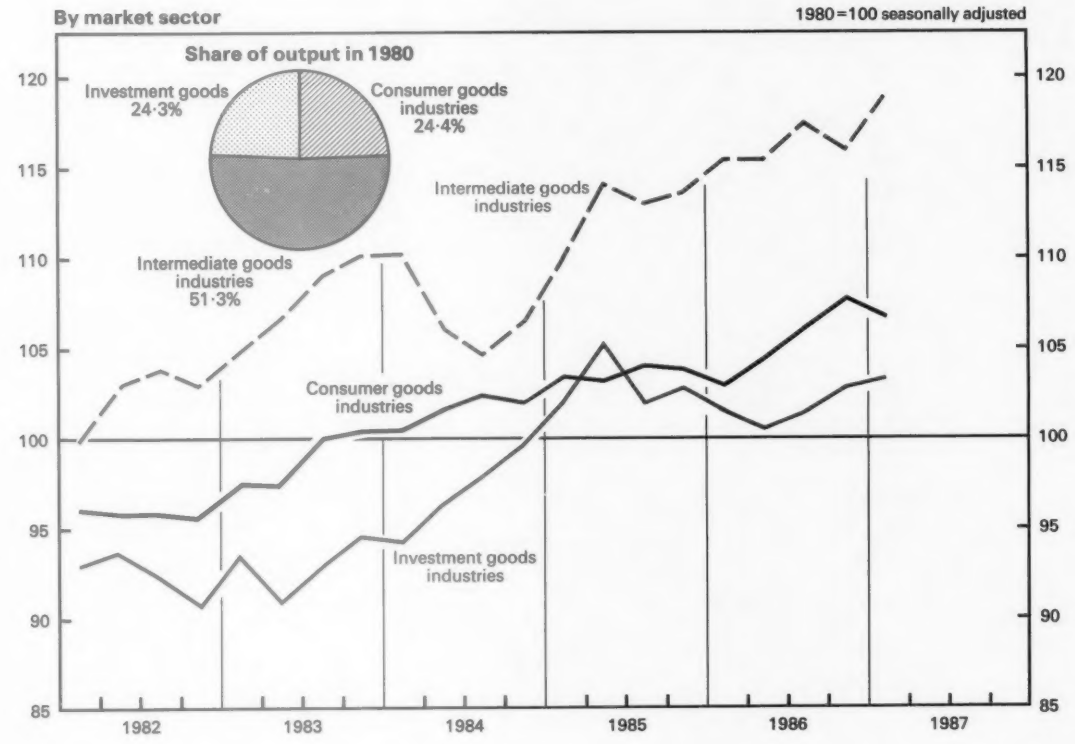
1980 = 100, seasonally adjusted

		Total production industries	Energy and water supply	Total Manufacturing industries(1)	Construction	Total production and construction	Consumer goods industries	Investment goods industries	Intermediate goods industries
1980 weights		1 000	264	736			245	243	512
PPT of GDP(O)		361	95	266	63(2)	424	88	88	185
		DVIM	DVIN	DVIS	DVJO	DVJN	DVJP	DVJV	DVJZ
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		98.6	103.8	94.0	89.9	95.8	96.4	91.3	99.2
1982		98.4	110.0	94.2	91.6	97.4	95.8	92.4	102.3
1983		101.9	115.9	96.9	95.3	101.0†	98.8	93.0†	107.6
1984		103.3†	110.2†	100.8†	98.5	102.6	101.7†	97.4	106.8
1985		108.1	120.1	103.8	99.8	106.9	103.6	103.2	112.6
1986		110.2	125.4	104.7	102.1	109.0	106.0	101.5	116.1†
1981	3	97.3	103.8	95.0	90.9	96.4†	97.4	92.0†	99.6
	4	98.3	106.6†	95.3	86.9	96.6	96.7	92.7	101.7
1982	1	97.2	104.1	94.7	89.1	96.0	96.1	92.9	99.7†
	2	98.8†	110.0	94.9	90.6	97.6	95.7†	93.7	102.9
	3	99.2	113.2	94.1	92.6	98.2	95.9	92.4	103.7
	4	98.3	112.8	93.1	94.3	97.7	95.6	90.6	103.0
1983	1	100.4	112.8	95.9†	93.7	99.4	97.7	93.6	104.7
	2	100.5	114.9	95.4	92.1	99.3	97.4	90.9	106.6
	3	102.8	117.4	97.6	97.7	102.1	99.9	93.0	108.9
	4	104.0	118.3	98.9	97.8	103.1	100.4	94.4	110.2
1984	1	104.2	116.8	99.7	97.8	103.3	100.7	95.0	110.2
	2	102.7	109.1	100.4	98.3	102.1	101.8	98.6	106.1
	3	102.5	104.9	101.6	99.6	102.1	102.4	98.3	104.5
	4	103.7	109.8	101.6	98.2	102.9	101.9	99.6	106.6
1985	1	106.4	114.9	103.4	100.3	105.5	103.6	102.2	109.5
	2	109.4	122.7	104.6	99.6	108.0	103.4	105.6	114.2
	3	108.2	120.6	103.7	98.7	106.8	104.0	102.2	113.0
	4	108.4	122.2	103.4	100.8	107.3	103.4	102.7	113.5
1986	1	109.1	126.8	102.8	99.0	107.6	103.9	101.4	115.0
	2	109.8	125.9	104.0	101.8	108.6	105.3	101.0	115.9
	3	110.9	127.3	105.0	102.7	109.7	106.5	101.0	117.5
	4	110.9	121.4	107.1	105.1	110.1	106.2	102.4	116.1
1987	1	112.2	125.6	107.4	110.4	112.0	107.5	103.7	118.4
1984	D	104.0†	109.2†	102.2†	..	..	102.1†	100.3†	106.7†
1985	J	105.2	114.8	103.1	..	..	103.3	101.8	109.5
	F	105.7	113.2	103.0	..	..	103.3	101.6	108.5
	M	107.3	116.6	104.0	..	..	104.3	103.2	110.6
	A	108.9	121.6	104.3	..	..	102.9	105.1	113.6
	M	109.5	123.3	104.5	..	..	103.0	105.8	114.4
	J	109.9	123.2	105.1	..	..	104.2	106.9	114.6
	J	107.6	119.1	103.5	..	..	103.6	102.0	112.1
	A	108.0	119.4	103.9	..	..	104.1	102.2	112.7
	S	109.0	123.4	103.8	..	..	104.4	102.3	114.3
	O	108.7	123.8	103.3	..	..	102.7	103.2	114.2
	N	109.4	126.6	103.2	..	..	103.8	101.8	115.8
	D	107.0	116.3	103.7	..	..	103.9	103.0	110.5
1986	J	108.4	123.9	102.9	..	..	103.0	101.8	114.0
	F	109.6	128.8	102.7	..	..	104.5	101.2	115.8
	M	109.3	127.7	102.7	..	..	104.3	101.5	115.2
	A	111.0	129.1	104.5	..	..	105.8	101.7	117.7
	M	109.1	124.6	103.6	..	..	104.8	100.8	114.9
	J	109.2	124.0	103.9	..	..	105.4	100.6	115.0
	J	110.6	126.5	104.9	..	..	106.2	101.3	117.0
	A	111.3	129.5	104.7	..	..	106.5	100.5	118.4
	S	110.8	126.0	105.4	..	..	106.9	101.2	117.1
	O	111.2	123.4	106.8	..	..	107.6	102.4	117.1
	N	111.1	122.4	107.0	..	..	108.6	102.3	116.3
	D	110.3	118.5	107.4	..	..	108.2	102.4	114.9
1987	J	111.2	125.2	106.2	..	..	107.1	102.9	117.1
	F	112.7	125.3	108.2	..	..	108.0	103.9	119.0
	M	112.8	126.4	107.9	..	..	107.4	104.4	119.2
	A	112.0	123.2	108.0	..	..	107.8	104.3	117.6
	M	113.3	125.0	109.1	..	..	109.0	104.9	119.2

1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1987 edition.
2 For an index of construction output for Great Britain, see page 30.

Index of output of the production industries

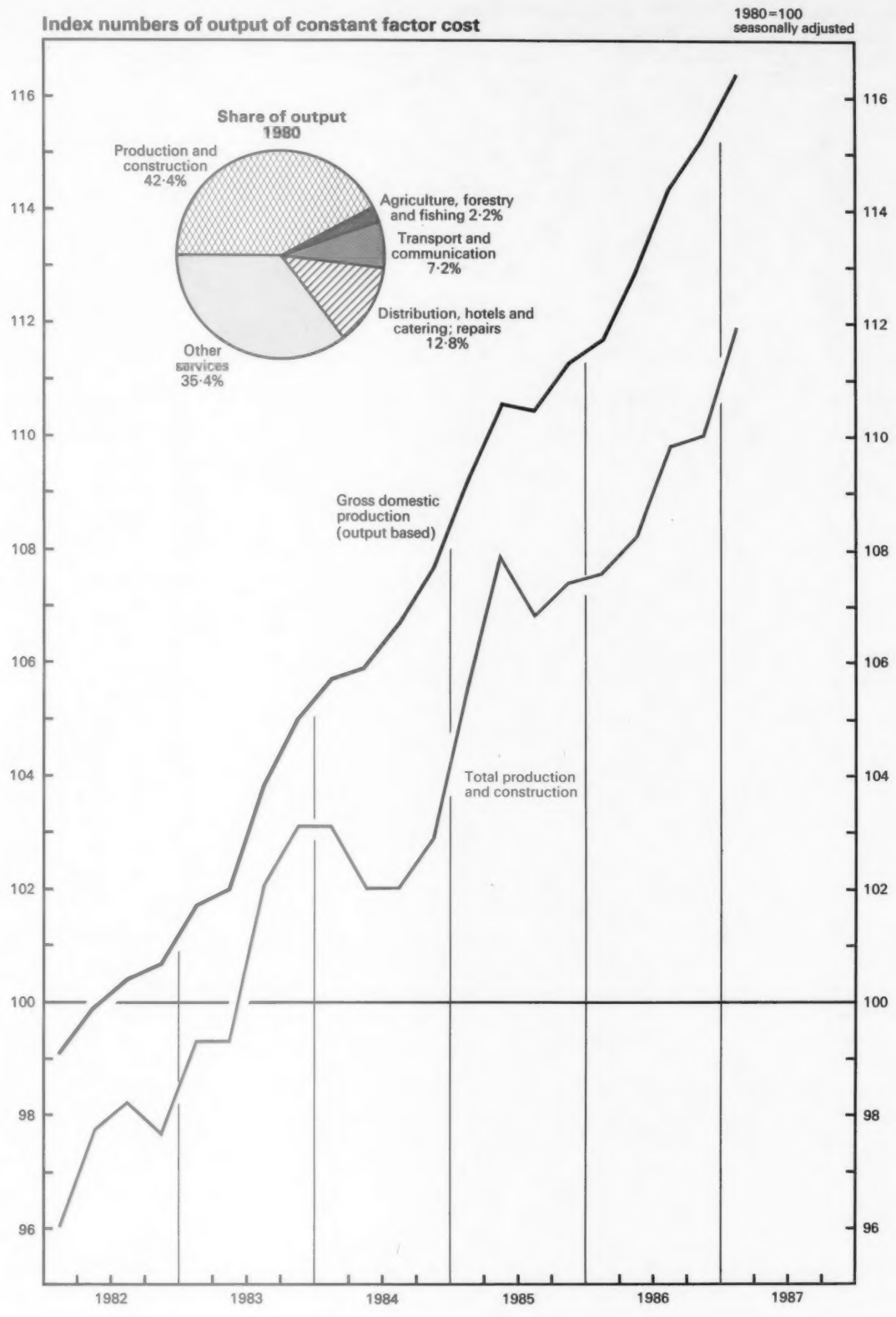




Index numbers of output at constant factor cost

		Seasonally adjusted						
		1980 = 100						
					Service industries			
		Gross domestic product	Agriculture, forestry and fishing	Production and construction(1)	Distribution, hotels and catering; repairs	Transport and communication	Other services	Total services
1980 weights		1 000	22	424	128	72	354	554
		DSAE	CKAP	DVJN	CKAQ	CKAR	CKAS	CKCE
1978		99.6	91.5	103.4	103.6	96.9	94.7	97.1
1979		102.8	90.1	106.9	106.6	101.3	97.5	100.1
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		98.4	102.6	95.6	98.1	100.2	101.1	100.3
1982		100.0	111.2	97.4	99.9	99.3	102.8	101.7
1983		103.1	105.2	101.0†	103.4	102.3	105.7	104.7
1984		106.5	124.5	102.6	108.2	106.3	109.6	108.9
1985		110.4	118.5	106.9	112.0	112.3	113.1	112.7
1986		113.6	118.5	109.0	117.0	116.7	117.0	117.0
1981	1	97.7	101	94.7	98	99	101	99.9
	2	97.9	101	94.9	98	99	101	100.1
	3	98.9	103	96.4†	99	101	101	100.7
	4	99.0	105	96.6	97	102	102	100.5
1982	1	99.1	109	96.0	99	99	102	101.2
	2	99.9	112	97.6	99	100	102	101.2
	3	100.4	113	98.2	100	98	103	101.7
	4	100.7	111	97.7	101	100	104	102.6
1983	1	101.7	105	99.4	102	101	104	103.3
	2	102.0	102	99.3	102	102	105	104.0
	3	103.8	104	102.1	104	103	106	105.3
	4	105.0	110	103.1	105	104	107	106.3
1984	1	105.7	119	103.3	106	104	108	107.1
	2	105.9	126	102.1	108	105	109	108.1
	3	106.7	128	102.1	109	107	110	109.5
	4	107.7	124	102.9	111	109	111	110.7
1985	1	109.2	120	105.5	111	111	112	111.6
	2	110.6	118	108.0	111	112	113	112.3
	3	110.5	118	106.8	112	112	113	113.0
	4	111.3	118	107.3	113	113	114	113.9
1986	1	111.7	119	107.6	114	114	115	114.5
	2	112.9	118	108.6	116	117	116	116.3
	3	114.4	119	109.7	118	116	118	117.7
	4	115.3	118	110.1	120	120	119	119.3
1987	1	116.4	117	112.0	120	119	120	119.8
		Percentage change, quarter on corresponding quarter of previous year						
1981	1	-4.8	+4	-10.0	-5	-5	+1	-0.9
	2	-2.7	+1	-6.4	-3	-2	+1	-0.2
	3	-0.2	+1	-2.0	-	+3	+1	+1.1
	4	+1.3	+4	+1.6	-	+5	+1	+1.2
1982	1	+1.5	+8	+1.4	+1	-	+2	+1.2
	2	+2.1	+11	+3.0	+1	+1	+1	+1.1
	3	+1.6	+10	+2.0	+2	-3	+2	+1.0
	4	+1.7	+5	+1.0	+4	-2	+2	+2.1
1983	1	+2.5	-4	+3.4	+3	+2	+2	+2.2
	2	+2.0	-9	+1.6	+3	+2	+3	+2.8
	3	+3.4	-8	+3.9	+4	+5	+3	+3.5
	4	+4.3	-	+5.6	+4	+4	+3	+3.6
1984	1	+4.0	+14	+3.8	+4	+3	+4	+3.7
	2	+3.9	+24	+2.7	+5	+3	+4	+4.0
	3	+2.8	+24	-	+4	+4	+4	+4.0
	4	+2.5	+13	-0.2	+5	+5	+4	+4.2
1985	1	+3.3	+1	+2.3	+5	+7	+3	+4.2
	2	+4.4	-7	+5.8	+3	+7	+3	+3.8
	3	+3.5	-8	+4.7	+3	+5	+3	+3.2
	4	+3.3	-5	+4.4	+2	+4	+3	+3.0
1986	1	+2.3	-1	+2.0	+2	+2	+3	+2.8
	2	+2.1	-	+0.3	+4	+4	+3	+3.6
	3	+3.6	+1	+2.8	+5	+3	+4	+4.2
	4	+3.7	-	+2.4	+6	+6	+4	+4.7
1987	1	+4.2	-1	+4.0	+6	+4	+4	+4.6

1 The latest revisions to this column may not yet have been fully taken into account in the calculation of the series shown for overall gross domestic product.


Index numbers of output of constant factor cost
1980=100
seasonally adjusted
Share of output
1980
Production and construction 42·4%
Agriculture, forestry and fishing 2·2%
Transport and communication 7·2%
Distribution, hotels and catering; repairs 12·8%
Other services 35·4%
Gross domestic production (output based)
Total production and construction
116
114
112
110
108
106
104
102
100
98
96
1982
1983
1984
1985
1986
1987

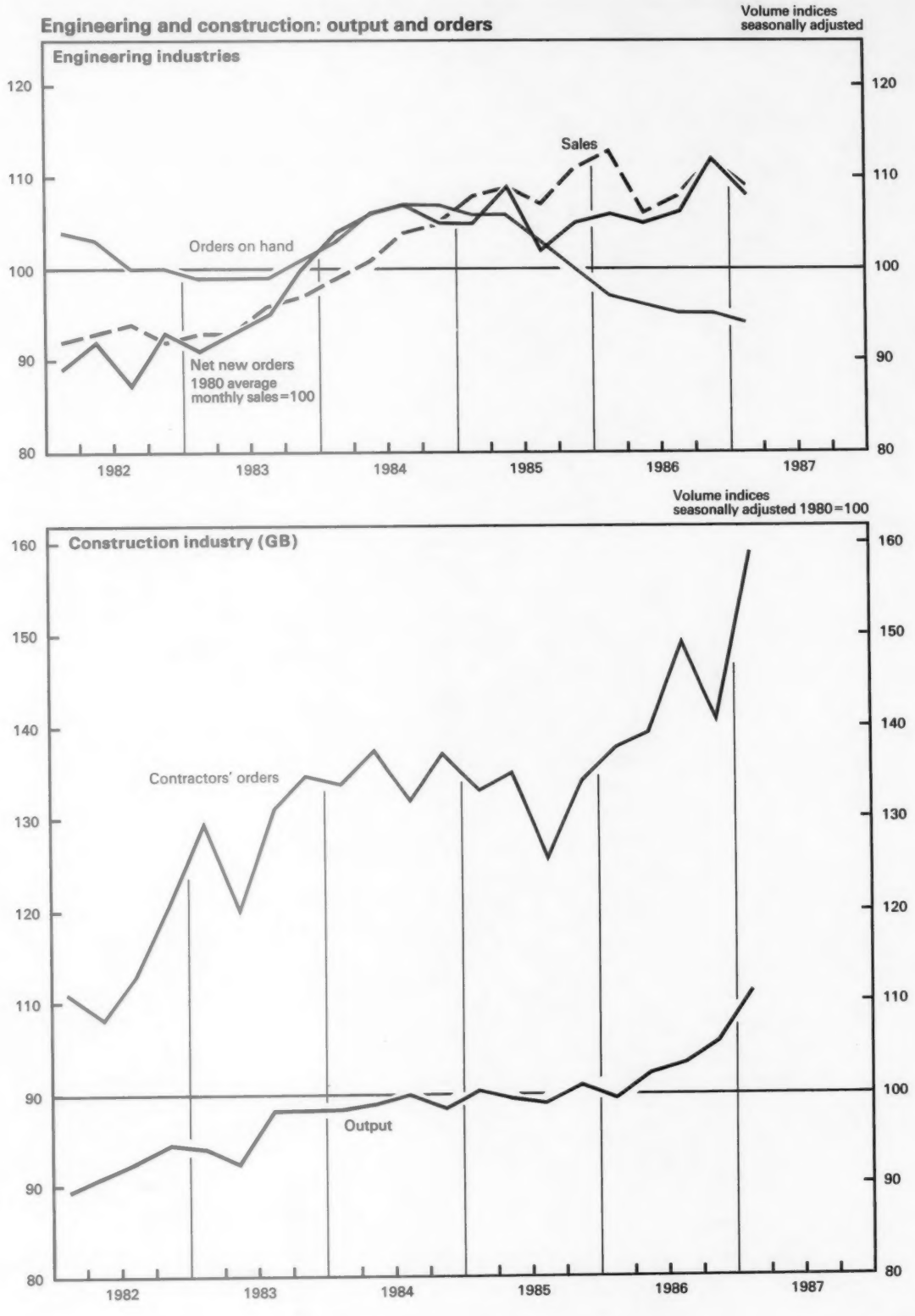
Engineering and construction: output and orders

Seasonally adjusted volume index numbers

		Engineering industries(1)							Construction(GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Orders on hand end of period	New orders(2)	Output(3,4)	Orders received
		1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	Average 1980 = 100	1980 average monthly sales = 100	1980 = 100	1980 = 100
		FEAA	DKCJ	FEAC	FEAV	FEAE	FEAX	FEAG	FEAB	FEAD
1982		93	100	91	102	93	96	85	91.9	113.2
1983		95	101	95	98	96	105	94	95.7	128.8
1984		102	107	106	99	103	121	110	99.0	135.2
1985		108†	100†	105	91	104	115	109	100.1	131.9
1986		110	94	106†	87	110	106†	100		
		FEAJ		FEAL		FEAN		FEAP	FEAQ	FEAZ
1982	4	92	100	93	102	97	98	83	94.4	120.9
1983	1	93	99	91	98	87	102	100	94.0	129.5
	2	93	99	93	97	94	104	92	92.3	119.8
	3	96	99	95	97	101	102	84	98.2	131.1
	4	97	101	100	98	100	105	99	98.3	134.8
1984	1	99	103	104	100	105	109	102	98.4	133.8
	2	101	105	106	100	102	115	113	99.0	137.6
	3	104	107	107	99	102	119	115	100.0	131.9
	4	105	107	105	99	103	121	110	98.4	137.2
1985	1	108	106†	104†	98	103†	118	106†	100.6	132.9
	2	109	106	109	96	110	123†	125	99.7	135.0
	3	107	103	102	93	102	121	105	99.0	125.6
	4	111	100	105	91	110	116	95	101.1	134.1
1986	1	112†	97	105	89	111	111	95	99.5	137.8
	2	106	97	105	90	112	107	91	102.4	139.2
	3	107	96	106	90	110	105	96	103.4	149.5
	4	112	94	109	87	108	106	111	105.8	140.4
1987	1	110	91	103	84†	104	102	100	111.2	159.2†
		FEAS		FEAU		FEAW		FEAY		
1984	D	108	107	103	99	102	121	105	..	131.8
1985	J	105	107	105†	99	100	122	116	..	141.5
	F	108	107	107	99	104†	121	111†	..	121.7
	M	111	106†	101	98	106	118	92	..	135.6
	A	106	105	102	97	96	119	114	..	130.9
	M	107†	105	108	97	106	119	114	..	141.8
	J	113	106	116	96	99	123†	148	..	132.3
	J	105	105	100	94	99	122	102	..	130.2
	A	108	104	104	94	105	120	100	..	122.0
	S	107	103	102	93	98	121	112	..	124.6
	O	109	102	100	91	102	119	98	..	149.8
	N	111	101	106	91	110	117	97	..	136.4
	D	112	100	109	91	118	116	92	..	116.0
1986	J	107	99	99	90	104	113	88	..	145.6
	F	109	99	105	90	106	113	97	..	133.8
	M	120	97	113	89	120	111	100	..	134.1
	A	101	97	100	89	107	109	85	..	145.3
	M	109	97	107	90	115	108	91	..	130.6
	J	108	97	108	90	114	107	96	..	141.6
	J	108	96	103	90	110	106	90	..	174.4
	A	106	96	106	90†	111	106	96	..	133.6
	S	110	96	110	90	113	105	103	..	140.6
	O	111	95	107	89	109	104	102	..	141.7
	N	114	94	110	88	108	105	117	..	142.4
	D	111	94	110	87	108	108	114	..	137.1
1987	J	107	95	110	87	104	108	122	..	177.0
	F	110	93	103	86	108	108	92	..	146.1
	M	112	91	96	84	100	102	88	..	154.6†
	A	112	90	106	83	105	101	107	..	148.7
	M								..	179.8

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).
2 Net of cancellations.
3 This index is based on an output series which includes repair and maintenance estimates, unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.
4 Details of the method of deflation to constant prices are given in Economic Trends, No.297, July 1978.

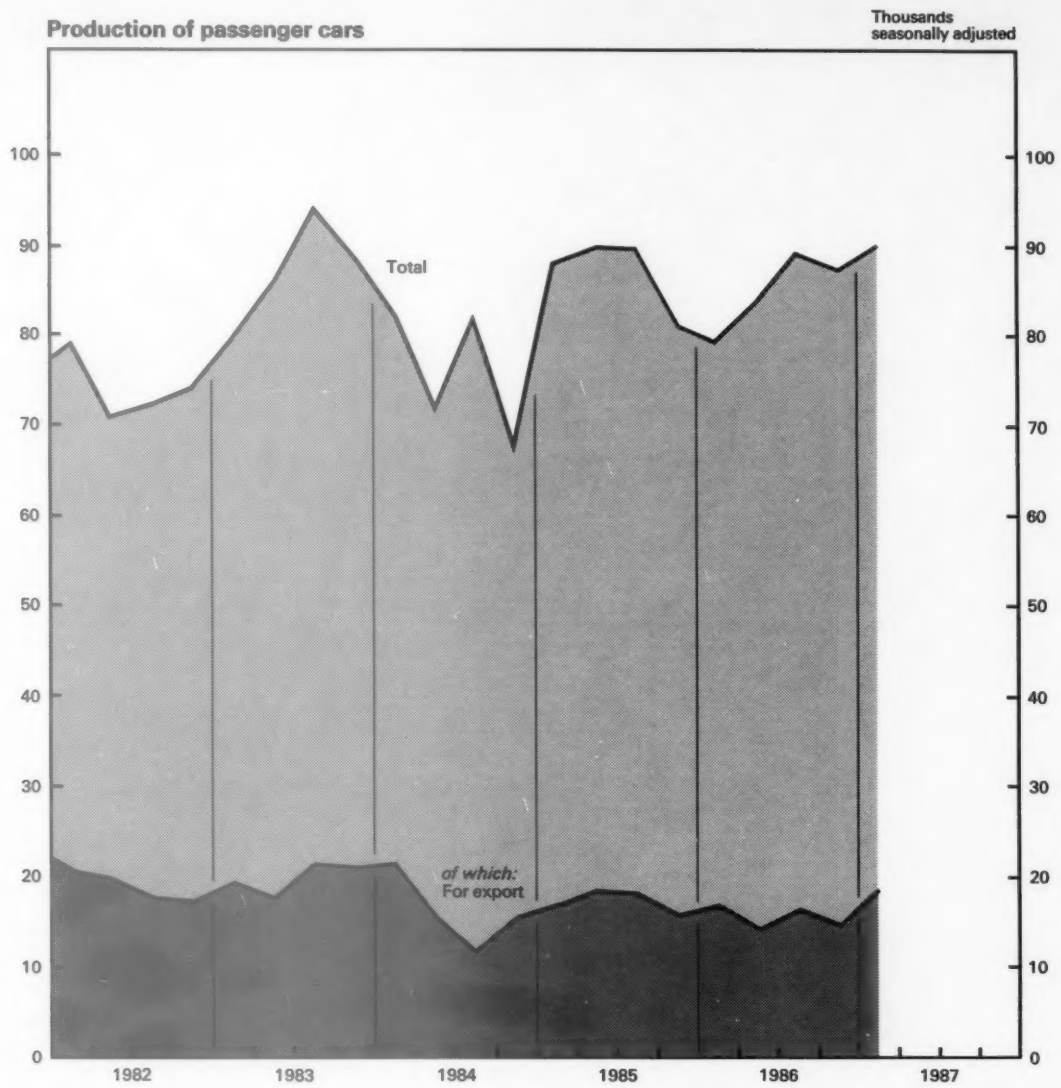
Engineering and construction: output and orders

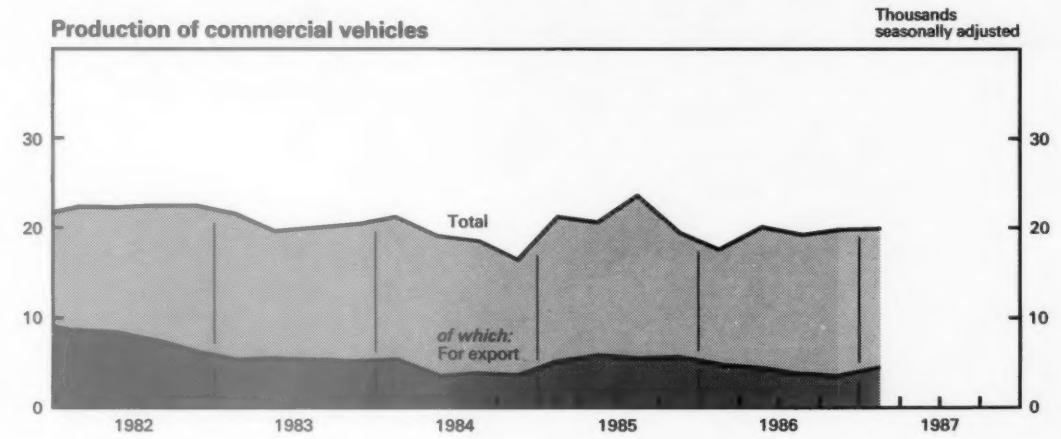


Motor vehicle production and steel production and consumption

		Seasonally adjusted					
		Thousands(1)				Thousand tonnes	
		Passenger cars*		Commercial vehicles*			
		Total	Production for export	Total	of which: For export	Crude steel production(2,3,4)	Finished steel consumption
		FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1976		111.1	47.1	31.0	15.8	22 274	15 804
1977		109.7	46.9	33.2	16.4	20 411	15 300
1978		101.9	41.2	32.0	14.1	20 311	15 710
1979		89.2	32.7	34.0	13.5	21 464	15 480
1980		77.0	29.1	32.4	13.0	11 277	12 770
1981		79.5	25.4	19.1	9.5	15 573	12 440
1982		74.0	18.9	22.4	7.7	13 704	12 240
1983		87.0	19.8	20.4	5.2	14 988	11 510
1984		75.7	16.0	18.7	4.1	15 121	11 340
1985		87.3	17.3	22.2	5.5	15 722	11 580
1986		84.9	15.6	19.1	4.2	14 725	11 840
1982	4	73.9	17.2	22.5	6.1	2 720	2 870
1983	1	79.3	19.4	21.7	5.2	3 768	2 810
	2	85.7	17.6	19.6	5.3	3 813	2 900
	3	94.1	21.2	20.0	5.3	3 590	2 820
	4	89.1	21.0	20.2	5.1	3 682	2 980
1984	1	82.4	21.4	21.2	5.3	3 963	2 850
	2	71.3	15.5	19.0	3.7	3 504	2 720
	3	82.1	11.8	18.6	3.9	3 743	2 910
	4	67.2	15.4	16.1	3.7	3 766	2 860
1985	1	88.2	16.6	21.2	5.1	3 714	2 830†
	2	90.0	18.4	24.1	5.9	4 117	2 780
	3	89.9	18.2	23.9	5.3	3 920	2 930
	4	81.3	15.6	19.4	5.6	3 965	3 020
1986	1	79.2	17.0	17.3	4.8	3 787	2 970
	2	83.7	14.1	20.0	4.5	3 256	2 950
	3	89.1	16.5	19.1	3.8	3 436	3 000
	4	87.6	14.8	19.8	3.5	4 244	2 920
1987	1	90.3	18.8	20.0	4.6	3 889	2 840
1985	M	88.0	14.8	22.2	5.9	1 323.0	..
	A	90.2	19.9	23.5	5.4	1 327.0	..
	M	87.9	19.5	22.3	6.4	1 605.0	..
	J	91.8	15.8	26.6	6.0	1 340.0	..
	J	84.5	13.7	22.2	5.0	1 505.0	..
	A	68.7	20.6	25.1	5.6	1 173.0	..
	S	96.4	20.4	24.5	5.2	1 221.0	..
	O	70.0	13.4	21.0	4.8	1 453.0	..
	N	76.7	14.9	16.1	5.4	1 183.0	..
	D	97.2	19.2	21.2	6.6	1 153.0	..
1986	J	77.2	15.5	17.0	5.3	1 493.0	..
	F	73.9	16.9	16.0	4.7	1 119.0	..
	M	86.5	18.5	18.8	4.4	1 176.0	..
	A	78.3	13.2	17.9	4.3	1 323.0	..
	M	86.6	13.8	20.7	5.3	980.0	..
	J	86.2	15.2	21.4	4.0	973.0	..
	J	83.2	12.8	18.7	3.9	1 220.0	..
	A	83.7	19.3	18.8	3.2	955.0	..
	S	100.4	17.5	19.9	4.2	1 261.0	..
	O	79.9	11.7	18.7	3.5	1 593.0	..
	N	83.6	15.8	18.1	3.4	1 285.0	..
	D	99.4	16.8	22.7	3.6	1 387.0	..
1987	J	84.3	16.3	19.9	4.1	1 493.0	..
	F	87.9	19.0	19.8	4.1	1 270.0	..
	M	98.6	21.1	20.4	5.5	1 226.0	..
	A	89.0	17.7	17.7	5.1	1 724.0	..
	M	96.4†	19.6†	20.1†	6.6†	1 281.0†	..

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
3 The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
4 June, August and November 1983 are 5-week periods, as are February, May, August and October 1984.


Production of passenger cars
Thousands
seasonally adjusted
100
90
80
70
60
50
40
30
20
10
0
Total
of which:
For export
1982
1983
1984
1985
1986
1987

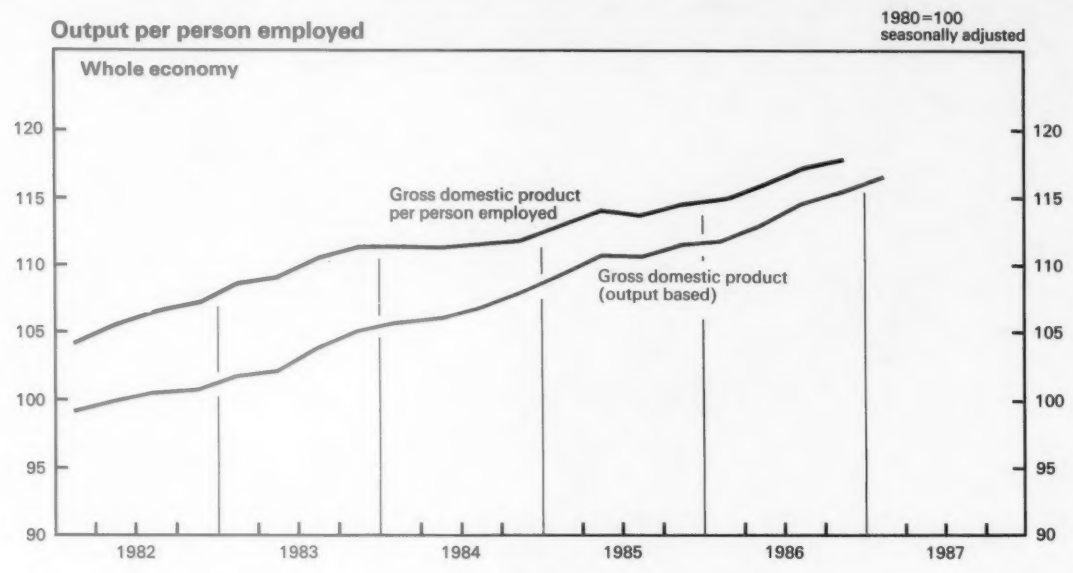

Production of commercial vehicles
Thousands
seasonally adjusted
30
20
10
0
Total
of which:
For export
1982
1983
1984
1985
1986
1987

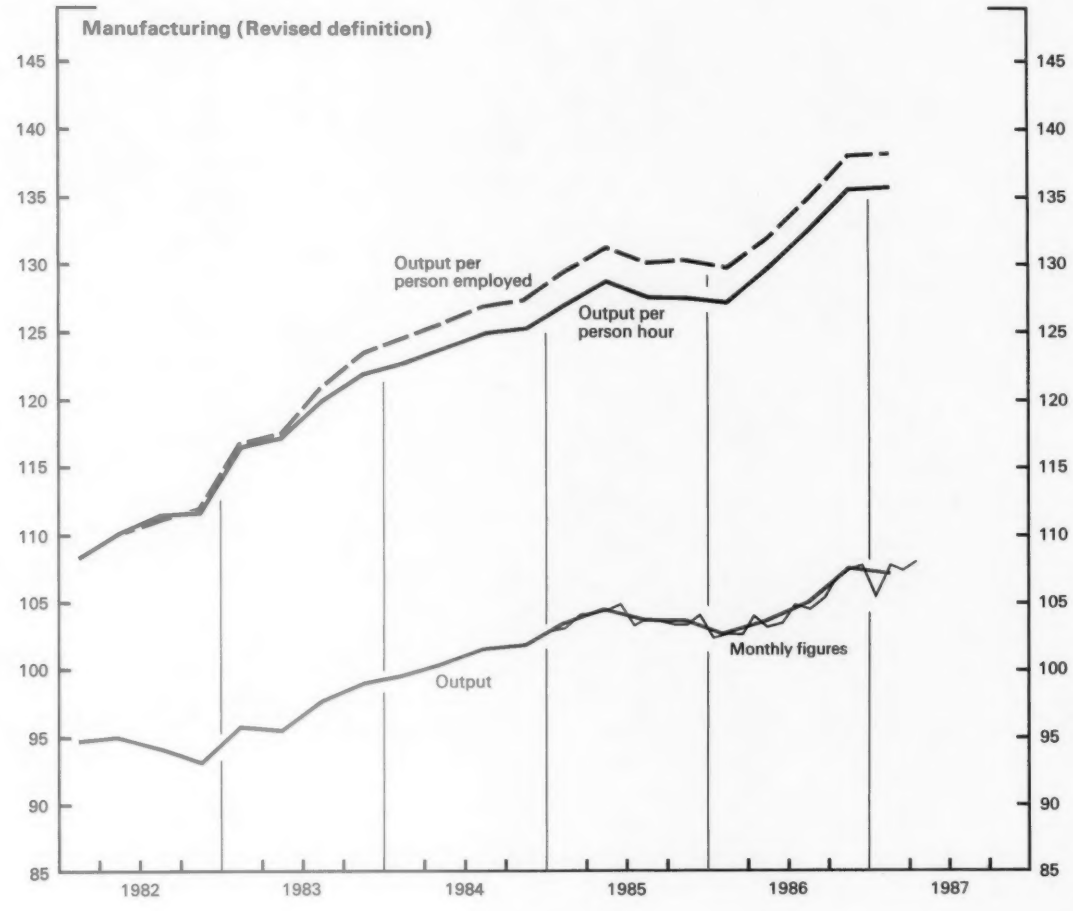
Output per person employed

1980 = 100, seasonally adjusted

		Total employed labour force	Employment		Output per person employed(1)			Output per hour in manufacturing industries(2)
			Total production industries(2)	Manufacturing industries(2)	Whole economy	Total production industries(2)	Manufacturing industries(2)	
		DMBC	DMBK	DMBO	DMBE	CAIW	DMBF	DMBH
1982		94.6	86.2	85.5	105.7†	114.2†	110.3†	110.4†
1983		93.9†	81.7	81.0	109.9	124.7	119.8	118.9
1984		95.5	80.2	79.8	111.5	128.8	126.4	124.4
1985		96.9	78.7	79.5†	113.9	135.6	130.7	128.1
1986		97.5	77.9	77.9	116.6	141.5	134.5	132.2
1983	1	93.5	82.9	82.1	108.8	121.1†	116.9†	116.6†
	2	93.6†	82.0	81.2	109.0†	122.6	117.5	117.0
	3	94.0	81.3	80.6	110.5	126.5	121.2	120.1
	4	94.5	80.8	80.1	111.2	128.7	123.5	122.0
1984	1	94.8	80.4	79.8	111.4	129.6	124.9	123.1
	2	95.3	80.2	79.8	111.2	128.1	126.0	124.0
	3	95.7	80.1	79.9	111.5	128.0	127.3	125.3
	4	96.1	80.1	79.8	112.1	129.5	127.4	125.1
1985	1	96.6	80.0	79.6†	113.1	133.0	129.9	127.4
	2	96.9	79.9	79.6	114.1	137.0	131.6	129.2
	3	97.1	79.7	79.4	113.8	135.8	130.7	128.1
	4	97.2	79.4	79.3	114.5	136.6	130.8	127.7
1986	1	97.3	78.8	78.8	114.8	138.5	130.5	128.0
	2	97.3	78.1	78.1	116.1	140.6	133.2	131.0
	3	97.5	77.5	77.4	117.4	143.1	135.7	133.5
	4	97.8	77.2	77.3	118.0	143.7	138.8	136.3
1987	1	98.2	76.8	76.9	118.6	146.1	139.8	137.4
1986	J	..	..	79.1†	..	..	130.2†	127.6†
	F	..	..	78.7	..	..	130.6	128.1
	M	..	..	78.6	..	..	130.7	128.2
	A	..	..	78.5	..	..	133.3	130.9
	M	..	..	78.0	..	..	132.8	130.6
	J	..	..	77.8	..	..	133.6	131.5
	J	..	..	77.6	..	..	135.4	133.1
	A	..	..	77.4	..	..	135.4	133.2
	S	..	..	77.3	..	..	136.4	134.2
	O	..	..	77.3	..	..	138.3	136.0
	N	..	..	77.3	..	..	138.5	136.1
	D	..	..	77.3	..	..	139.1	136.7
1987	J	..	..	76.9	..	..	138.2	136.4
	F	..	..	76.9	..	..	140.8	138.1
	M	..	..	76.9	..	..	140.5	137.6
	A	..	..	76.7	..	..	140.9	138.0
	M	..	..	76.8	..	..	142.2	139.5
		Percentage change, quarter on corresponding quarter of previous year						
1982	4	-1.9	-5.9	-6.1	+3.6	+6.3	+4.2	+3.7
1983	1	-1.9	-6.1	-6.3	+4.5	+10.0	+7.9	+7.7
	2	-1.4	-5.7	-5.9	+3.4	+7.9	+6.7	+6.3
	3	-0.5	-4.9	-4.8	+4.0	+9.0	+9.0	+7.9
	4	+0.6	-3.9	-4.0	+3.7	+10.1	+10.4	+9.1
1984	1	+1.5	-3.0	-2.8	+2.4	+7.0	+6.8	+5.5
	2	+1.8	-2.2	-1.7	+2.0	+4.5	+7.2	+6.0
	3	+1.8	-1.5	-0.9	+0.9	+1.2	+5.0	+4.3
	4	+1.7	-0.9	-0.4	+0.8	+0.6	+3.2	+2.6
1985	1	+1.8	-0.5	-0.3	+1.5	+2.6	+4.0	+3.5
	2	+1.7	-0.4	-0.3	+2.6	+6.9	+4.4	+4.2
	3	+1.5	-0.5	-0.6	+2.1	+6.1	+2.7	+2.3
	4	+1.1	-0.9	-0.6	+2.1	+5.5	+2.5	+2.1
1986	1	+0.7	-1.5	-1.0	+1.5	+4.1	+0.5	+0.5
	2	+0.4	-2.3	-1.9	+1.8	+2.6	+1.2	+1.4
	3	+0.4	-2.8	-2.5	+3.2	+5.4	+3.8	+4.2
	4	+0.6	-2.8	-2.5	+3.1	+5.2	+6.1	+6.7
1987	1	+0.9	-2.5	-2.4	+3.3	+5.5	+7.1	+7.3

1 The ratios do not take into account part-time working or hours of work.
2 Industries are grouped according to the Standard Industrial Classification 1980.

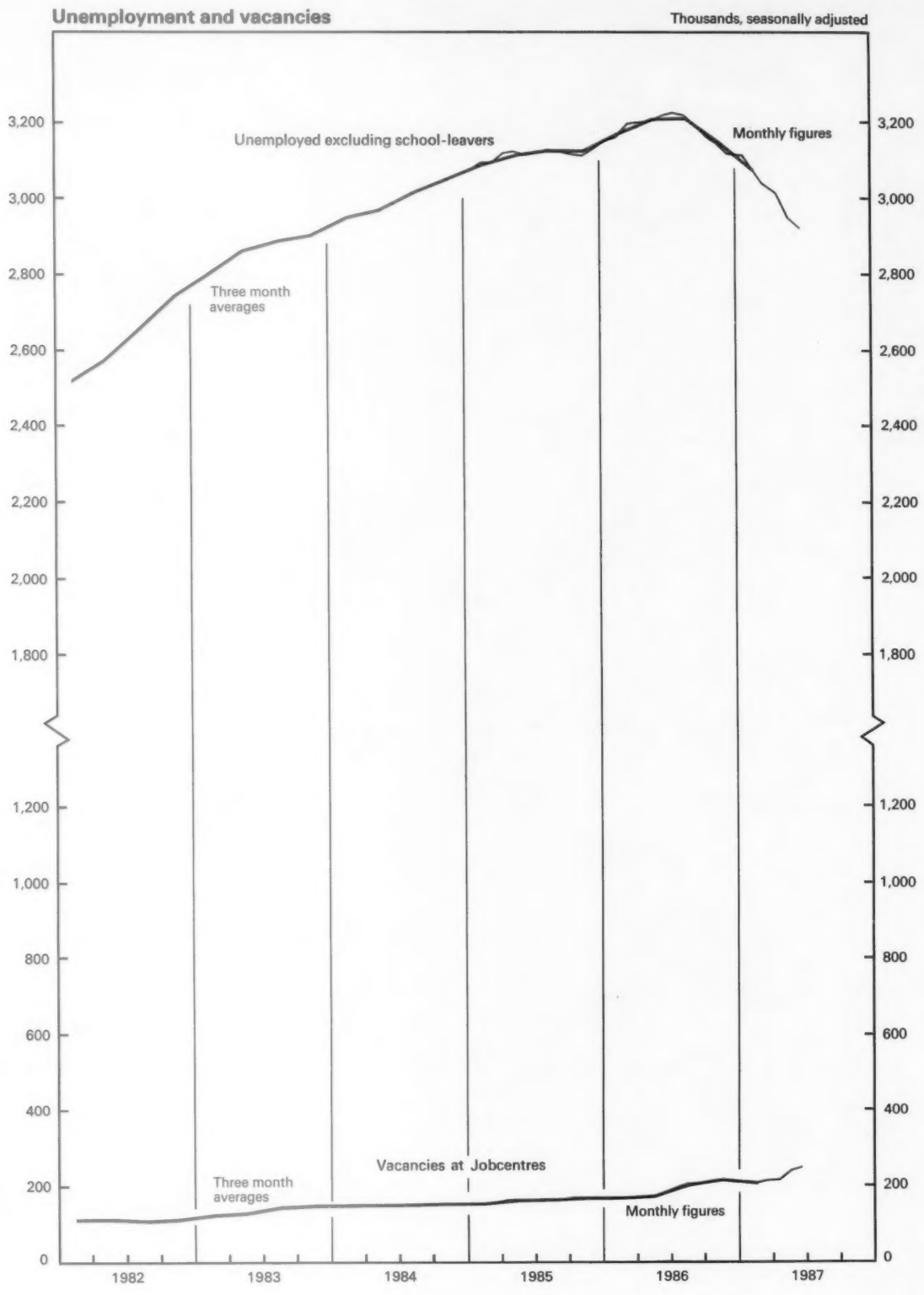

Output per person employed
1980=100
seasonally adjusted
Whole economy
Gross domestic product
per person employed
Gross domestic product
(output based)
120
115
110
105
100
95
90
1982
1983
1984
1985
1986
1987


Manufacturing (Revised definition)
Output per
person employed
Output per
person hour
Monthly figures
Output
145
140
135
130
125
120
115
110
105
100
95
90
85
1982
1983
1984
1985
1986
1987

National employment and unemployment (1)

		Seasonally adjusted								Unadjusted
		United Kingdom						Great Britain Manufacturing industry		United Kingdom
		Thousands			Unemployed excluding school leavers		Thousands	1980=100		Thousands
		Working population(2,3,4)	Employed labour force(2,3)	Employees in employment(2,3)	Thousands(4)	Percentage of working population(4,5)	Vacancies at job centres*(6,7,8)	Employees in employment	Average hours worked per operative(9)	Total unemployed including school-leavers(4)
		BCAI	FGAB	BCAJ	BCJD	BCJE	DPCB	FGAJ	FGAH	BCJA
1981		26 682	24 318	21 847	2 270	8.5	91.1	90.5	98.7	2 520.3
1982		26 603	23 882	21 369	2 626	9.9	113.9	85.4	100.5	2 916.9
1983		26 609	23 584	21 021	2 865	10.8	137.3	80.5	101.5	3 104.7
1984		26 992†	24 015†	21 193†	2 999	11.1	150.1	78.8	102.7	3 159.8
1985		27 674	24 438	21 502	3 113	11.3	162.1	78.2	103.3	3 271.2
1986		27 881	24 537	21 589	3 180	11.5	188.7		102.6	3 289.1
1984	2	26 992†	24 015†	21 193†	2 969.3	11.0	149.1	79.4	102.6	3 074.0
	3	27 287	24 135	21 282	3 013.4	11.1	151.3	79.1	102.5	3 166.7
	4	27 454	24 278	21 397	3 061.1	11.3	153.1	79.2	103.2	3 222.4
1985	1	27 565	24 362	21 453	3 090.9	11.2	155.5	99.7†	103.2	3 310.8
	2	27 674	24 438	21 502	3 115.4	11.3	162.3	99.6	103.5	3 230.7
	3	27 695	24 476	21 536	3 117.6	11.3	163.3	99.5	103.4	3 273.9
	4	27 743	24 510	21 568	3 130.0	11.3	167.3	99.2	103.6	3 269.6
1986	1	27 822	24 517	21 571	3 175.6	11.4	166.5	98.5	103.2	3 356.1
	2	27 881	24 537	21 589	3 203.3	11.5	175.6	97.5	102.7	3 275.1
	3	27 867	24 589	21 614	3 201.6	11.6	200.2	96.9	102.8	3 297.5
	4	27 892	24 680	21 683	3 140.8	11.3	212.7	96.8	102.9	3 227.7
1987	1				3 073.3	11.0	209.3	96.3	103.4	3 222.1
	2				2 985.2†	10.7†	226.1†			2 999.6†
1985	A	..	..	..	3 118.3	11.3	162.1	99.5†	102.3	3 272.6
	M	..	..	..	3 118.6	11.3	161.9	99.6	103.4	3 240.9
	J	..	..	..	3 109.3	11.3	162.8	99.6	103.5	3 178.6
	J	..	..	..	3 112.8	11.3	161.6	99.4	103.3	3 235.0
	A	..	..	..	3 118.7	11.3	162.7	99.3	103.1	3 240.4
	S	..	..	..	3 121.2	11.3	165.7	99.5	103.4	3 346.2
	O	..	..	..	3 124.0	11.3	169.9	99.4	103.4	3 276.9
	N	..	..	..	3 123.1	11.3	168.6	99.2	103.4	3 258.9
	D	..	..	..	3 143.0	11.4	163.5	99.2	103.6	3 273.1
1986	J	..	..	..	3 155.7	11.4	162.8	99.1	103.4	3 407.7
	F	..	..	..	3 164.4	11.4	167.2	98.6	103.2	3 336.7
	M	..	..	..	3 206.8	11.5	169.5	98.5	103.2	3 323.8
	A	..	..	..	3 196.8	11.5	170.2	98.4	103.0	3 325.1
	M	..	..	..	3 200.6	11.5	172.1	97.8	102.8	3 270.9
	J	..	..	..	3 212.5	11.6	184.4	97.5	102.7	3 229.4
	J	..	..	..	3 212.4	11.6	193.2	97.2	102.8	3 279.6
	A	..	..	..	3 209.2	11.6	201.1	97.0	102.8	3 280.1
	S	..	..	..	3 183.2	11.5	206.4	96.9	102.8	3 332.9
	O	..	..	..	3 159.6	11.4	212.8	96.9	102.8	3 237.2
	N	..	..	..	3 143.4	11.3	215.2	96.9	103.0	3 216.8
	D	..	..	..	3 119.4	11.2	210.0	96.8	102.9	3 229.2
1987	J	..	..	..	3 114.3	11.2	210.3	96.4	102.2	3 297.2
	F	..	..	..	3 065.8	11.0	207.1	96.4	103.2	3 225.8
	M	..	..	..	3 039.7	10.9	210.6	96.3	103.4	3 143.4
	A	..	..	..	3 018.1	10.9	213.9	96.2	103.4†	3 107.1
	M	..	..	..	2 952.3†	10.6	231.2			2 986.5
	J	..	..	..	2 925.3	10.5†	233.3†			2 905.3†

1 Unemployment figures do not include students registered for temporary employment during a current vacation.
2 The working population consists of the employed labour force and the unemployed (claimants); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment. Estimates of employees in employment up to June 1985 take account of the results of the 1983, 1984, 1985 and 1986 Labour Force Surveys. Estimates for later periods include an allowance for continued undercounting (see article on page 161 of May 1985 Employment Gazette for a detailed description of their derivation).
3 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.
4 There has been a change in the compilation of the unemployment statistics (see Employment Gazette, March/April 1986, pages 107-108). Unadjusted figures for February and March 1986 are on the new basis (estimated for February) and not directly comparable with earlier figures. It is estimated that the change reduces the total UK count by 50,000 on average. Seasonally adjusted figures have been revised to allow for this and previous discontinuities, to be consistent with the new coverage. The latest seasonally adjusted figures are provisional and subject to revision, mainly in the following month. The unadjusted figures also reflect a small discontinuity in the Northern Ireland count between June and August 1985.
5 The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, self-employed and HM forces. Recent figures are based on mid-1985 estimates.
6 The statistics of vacancy stocks were distorted in April and May 1985 because of a change in the Manpower Services Commission's Employment Division's arrangements. This led to an artificial increase in the April level, but the recorded stocks for May should be minimally affected.
7 There has been a change in the method of compiling vacancy statistics. See October issue of Employment Gazette for details.
8 This series excludes community programme vacancies.
9 The indices are based on SIC 1980 definition of manufacturing industry.


Unemployment and vacancies
Thousands, seasonally adjusted
Unemployed excluding school-leavers
Monthly figures
Three month averages
Vacancies at Jobcentres
Three month averages
Monthly figures
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
1982
1983
1984
1985
1986
1987

Regional unemployment rates (1)

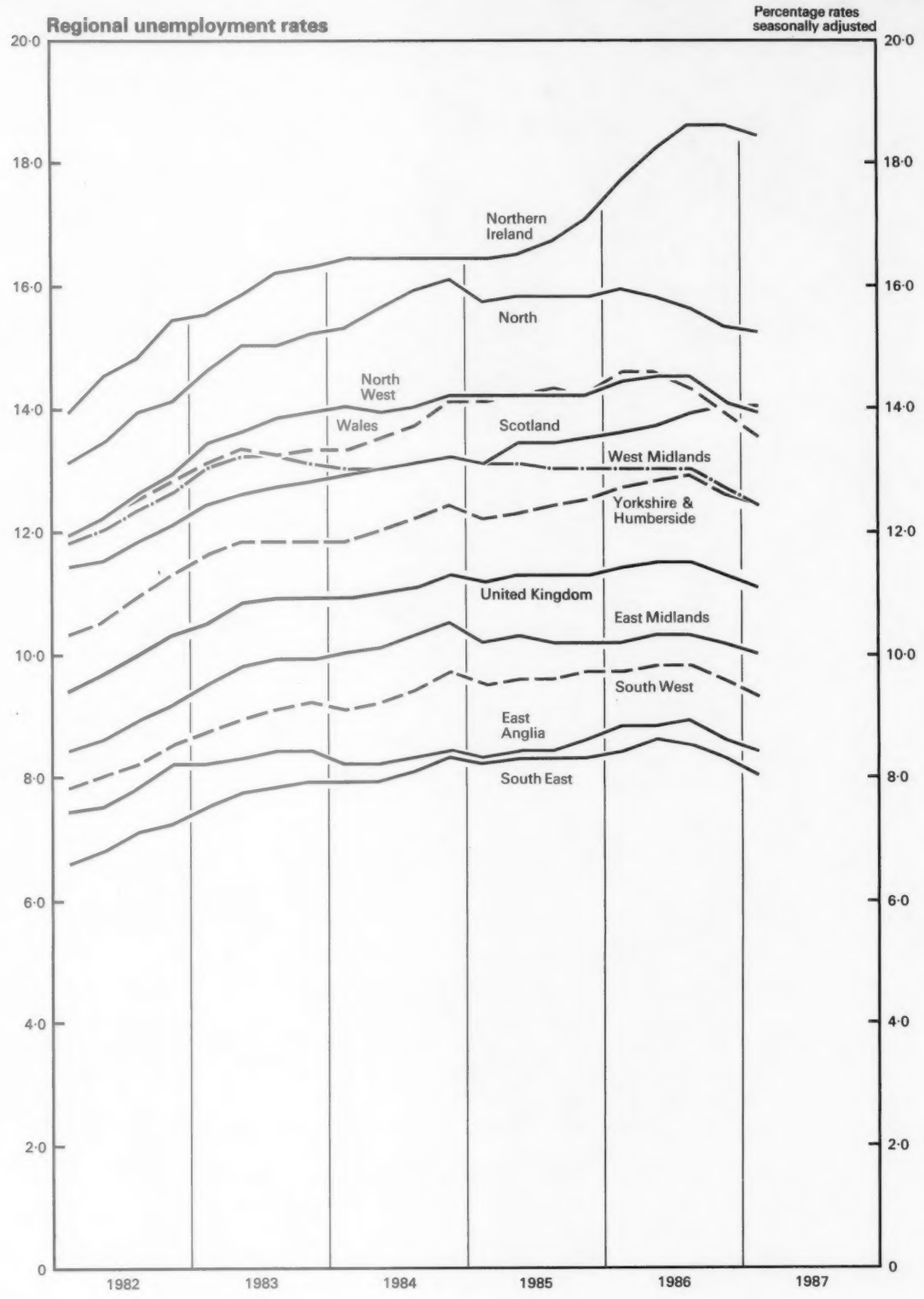
Seasonally adjusted(2,3)

Per cent

		North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
		DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1981	2	11.9	9.2	7.7	6.5	5.6	7.0	10.2
	3	12.5	9.7	8.0	6.9	6.1	7.3	10.8
	4	12.9	10.1	8.3	7.1	6.4	7.7	11.3
1982	1	13.1	10.3	8.4	7.4	6.6	7.8	11.8
	2	13.4	10.5	8.6	7.5	6.8	8.0	12.0
	3	13.9	10.9	8.9	7.8	7.1	8.2	12.3
	4	14.1	11.3	9.2	8.2	7.3	8.5	12.6
1983	1	14.6	11.6	9.5	8.2	7.5	8.7	13.0
	2	15.0	11.8	9.6	8.3	7.7	8.9	13.2
	3	15.0	11.8	9.9	8.4	7.8	9.1	13.2
	4	15.2	11.8	9.9	8.4	7.9	9.2	13.1
1984	1	15.3	11.8	10.0	8.2	7.9	9.1	13.0
	2	15.6	12.0	10.1	8.2	7.9	9.2	13.0
	3	15.9	12.2	10.3	8.3	8.1	9.4	13.1
	4	16.1	12.4	10.5	8.4	8.3	9.7	13.2
1985	1	15.7	12.2	10.2	8.3	8.2	9.5	13.1
	2	15.8	12.3	10.3	8.4	8.3	9.6	13.1
	3	15.8	12.4	10.2	8.4	8.3	9.6	13.0
	4	15.8	12.5	10.2	8.6	8.3	9.7	13.0
1986	1	15.9	12.7	10.2	8.8	8.4	9.7	13.0
	2	15.8	12.8	10.3	8.8	8.6	9.8	13.0
	3	15.6	12.9	10.3	8.9	8.5	9.8	13.0
	4	15.3	12.8	10.2	8.6	8.3	9.6	12.7
1987	1	15.1	12.4	10.0	8.4	8.0	9.3	12.4

		North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
		DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1981	2	10.4	10.7	10.2	8.2	13.1	8.3
	3	11.1	11.2	10.8	8.7	13.3	8.8
	4	11.5	11.5	11.1	9.1	13.8	9.2
1982	1	11.9	12.0	11.4	9.3	13.9	9.4
	2	12.2	12.2	11.5	9.5	14.5	9.7
	3	12.6	12.5	11.8	9.8	14.8	10.0
	4	12.9	12.8	12.1	10.1	15.4	10.3
1983	1	13.4	13.1	12.4	10.4	15.5	10.5
	2	13.6	13.3	12.6	10.6	15.8	10.8
	3	13.8	13.3	12.7	10.7	16.2	10.9
	4	13.9	13.3	12.8	10.8	16.3	10.9
1984	1	14.0	13.3	12.9	10.8	16.4	10.9
	2	13.9	13.5	13.0	10.8	16.4	11.0
	3	14.0	13.7	13.1	11.0	16.4	11.1
	4	14.2	14.1	13.2	11.2	16.4	11.3
1985	1	14.2	14.1	13.1	11.1	16.4	11.2
	2	14.2	14.2	13.4	11.1	16.5	11.3
	3	14.2	14.3	13.4	11.1	16.7	11.3
	4	14.2	14.2	13.5	11.2	17.1	11.3
1986	1	14.4	14.6	13.6	11.3	17.7	11.4
	2	14.5	14.6	13.7	11.4	18.2	11.5
	3	14.5	14.3	13.9	11.3	18.6	11.5
	4	14.1	13.9	14.0	11.1	18.6	11.3
1987	1	13.9	13.5	14.0	10.9	18.4	11.1

1 Excluding school-leavers.
2 The seasonally adjusted series have been revised to allow for all discontinuties, to be consistent with the current coverage.
3 See footnote 5 on page 36.

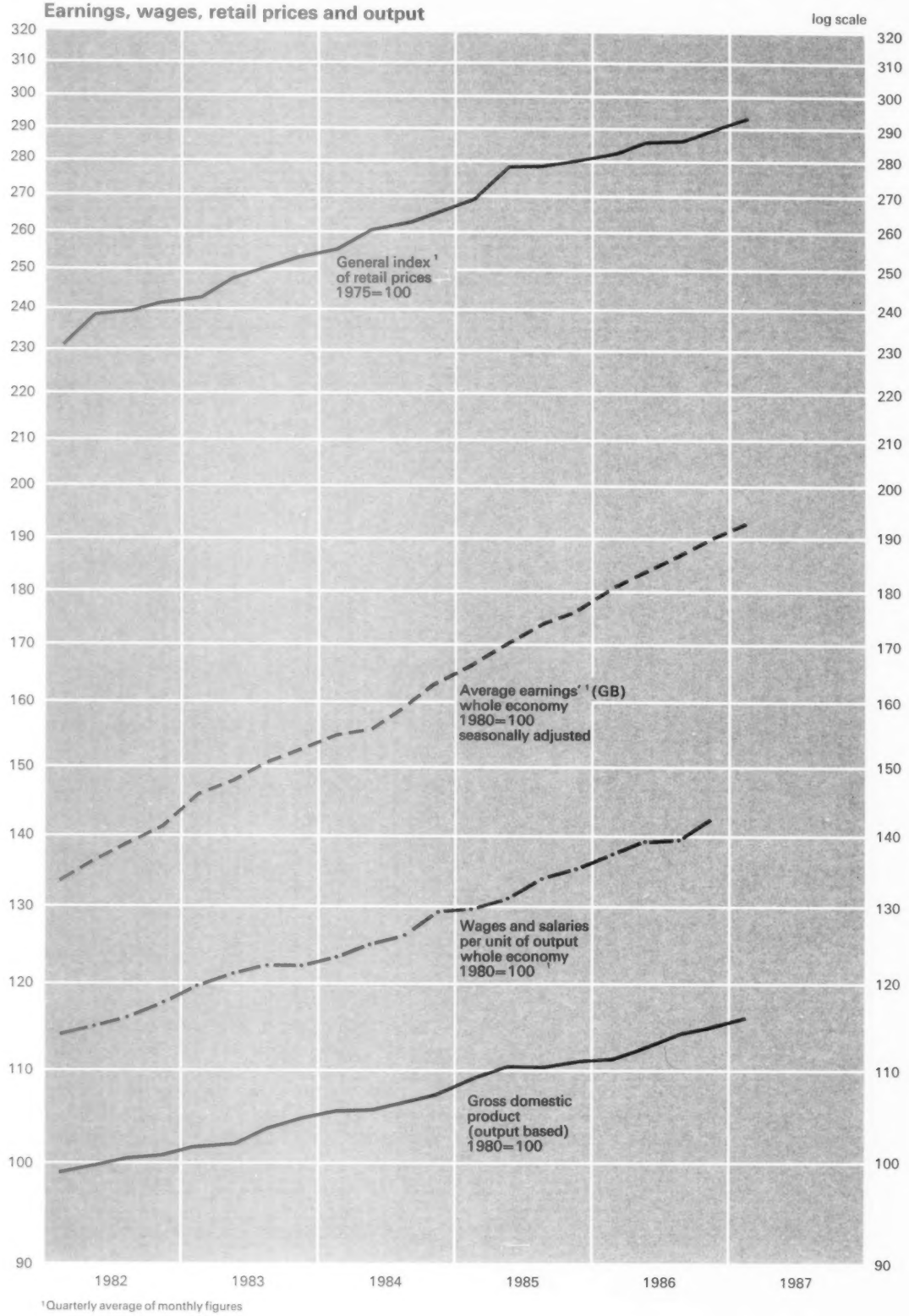

Regional unemployment rates
Percentage rates seasonally adjusted
20·0
18·0
16·0
14·0
12·0
10·0
8·0
6·0
4·0
2·0
0
Northern Ireland
North
North West
Wales
Scotland
West Midlands
Yorkshire & Humberside
United Kingdom
East Midlands
South West
East Anglia
South East
1982
1983
1984
1985
1986
1987

Average earnings

		January 1980 = 100								1980 = 100	
		Average earnings (GB)(1)								Wages and salaries per unit of output	
		Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Production industries (3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Manufacturing industry(3)	Percentage increase on year earlier	Underlying % change over previous 12 months(2)	Whole economy(4)	Manufacturing industry
		DNAA	DNDZ		DNAE	DNED		DNAC	DNEH		DJDO	DMBG
1980		111.4	..		109.4	..		109.1	..		100.0	100.0
1981		125.8	12.9		124.1	13.4†		123.6	13.3		109.7	109.3
1982		137.5	9.4		138.2	11.4		137.4	11.2		116.1	114.0
1983		149.2	8.4		150.0	8.5		149.7	9.0		121.3	114.4†
1984		158.3	6.1		158.5	5.7		162.8	8.8		126.2	117.8
1985		171.7	8.5		176.2	11.2		177.6	9.1		132.9	124.4
1986		185.3	7.9		190.8	8.3		191.2	7.7		140.0	130.1
Seasonally adjusted												
		DNAB	DNEA		DNAF	DNEE		DNAD	DNEI			
1983	3	150.4	8.2		151.4	8.7		151.0	9.0		121.1	114.0†
	4	152.5	8.0		155.3	8.9†		155.5	9.7		122.4	115.2
1984	1	154.9	6.1		155.8	7.4		158.3	9.5		123.4	115.9
	2	155.9	5.4		155.1	4.5		160.0	8.1		125.1	116.2
	3	159.1	5.8		159.2	5.2		164.2	8.7		126.2	118.1
	4	163.3	7.1		163.9	5.5		168.6	8.4		129.6	121.1
1985	1	166.8	7.7		168.6	8.2		172.5	9.0		129.9	121.8
	2	170.2	9.2		174.8	12.7		176.1	10.1		131.3	122.4
	3	173.9	9.3		179.1	12.5		179.3	9.2		134.1	125.5
	4	176.1	7.8		182.5	11.3		182.8	8.4		135.7†	128.2
1986	1	180.6	8.3		185.8	10.2		186.1	7.9		137.7	130.5
	2	183.9	8.1		188.5	7.8		189.4	7.5		139.5	130.0
	3	186.8	7.4		192.1	7.2		192.2	7.2		139.7	129.5
	4	190.1	8.0		197.1	8.0		197.5	8.0		142.4	130.3
1987	1	193.1	6.9		200.2	7.6		200.8	7.9		143.3	131.4
				DNEM			DNEN			DNEO		
1984	N	162.0	6.5	7.50	163.4	5.6	8.00	168.1	8.0	8.50		121.1†
	D	163.5	6.6	7.50	164.7	5.7	8.00	169.5	8.2	8.50		120.9
1985	J	165.5	7.0	7.50	167.1	7.1	8.25	171.7	9.4	8.50		121.3
	F	165.5	7.0	7.50	167.6	6.2	8.25	172.0	8.4	8.50		121.7
	M	168.3	9.0	7.50	171.0	11.3	8.25	173.8	9.2	8.75		121.7
	A	170.6	9.5	7.50	175.5	13.6	8.25	177.6	11.3	8.75		123.8
	M	169.7	8.8	7.50	173.2	12.0	8.50	174.4	9.3	9.00		121.5
	J	170.2	9.1	7.50	175.6	12.5	8.50	176.2	9.4	9.00		122.0
	J	172.2	8.8	7.50	177.8	12.8	8.75	178.3	9.5	9.00		125.1
	A	173.1	8.5	7.50	177.8	12.0	8.75	178.1	8.8	9.00		124.4
	S	176.4	10.1	7.75	181.7	12.6	8.75	181.5	9.3	9.00		127.1
	O	174.3	6.0	7.50	180.6	10.5	8.75	180.9	7.5	8.75		127.2
	N	175.9	8.6	7.50	182.4	11.6	8.75	182.9	8.8	8.75		128.4
	D	178.1	8.9	7.50	184.2	11.8	8.75	184.7	9.0	8.75		129.0
1986	J	179.1	8.2	7.50	185.5	11.0	8.75	185.5	8.0	8.50		130.3
	F	180.0	8.1	7.50	185.9	10.9	8.50	185.0	8.1	8.25		130.3
	M	182.6	8.5	7.50	186.0	8.8	8.25	186.9	7.5	8.00		130.8
	A	185.3	8.6	7.50	189.9	8.2	8.25	191.1	7.8	7.75		131.2
	M	182.6	7.6	7.50	186.6	7.7	8.25	187.1	7.3	7.75		128.9
	J	183.9	8.0	7.50	188.8	7.5	8.00	189.8	7.7	7.75		130.0
	J	185.3	8.2	7.50	189.9	6.8	8.00	190.5	6.8	7.75		128.8
	A	187.0	8.0	7.50	192.1	8.0	7.75	191.9	7.7	7.75		129.7
	S	187.1	6.1	7.50	193.9	6.7	7.75	194.0	6.9	7.75		130.1
	O	188.7	8.3	7.50	195.2	8.0	7.75	195.2	7.9	7.75		129.1
	N	190.2	8.1	7.75	196.6	7.8	8.00	197.1	7.8	7.75		130.2
	D	191.3	7.4	7.75	199.6	8.4	8.00	200.0	8.3	8.00		131.5
1987	J	192.8	7.6	7.50	199.9	7.8	7.75	200.0	7.8	7.75		132.5
	F	193.4	7.4	7.50	200.6	7.9	8.00	201.0	8.1	8.00		130.6
	M	194.8	6.7	7.50	200.0	7.4†	8.00	201.1	8.1	8.00		131.0
	A	197.2†	6.4†	7.75†		7.2	8.00	204.4†	7.0†	8.00		132.8
	M	198.4	8.7	7.75		8.1	8.00†	202.5	8.2	8.00†		130.3

1 The seasonal adjustment factors currently used are based on data up to December 1982.
2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in Employment Gazette December 1986.
3 Revised definition.
4 The method for calculating whole economy unit wage costs has been revised. The output measure of GDP has replaced the income measure in the calculation, and an adjustment incorporated to cover the earnings of the self-employed. (See 'Employment Gazette', May 1986.)

Earnings, wages, retail prices and output

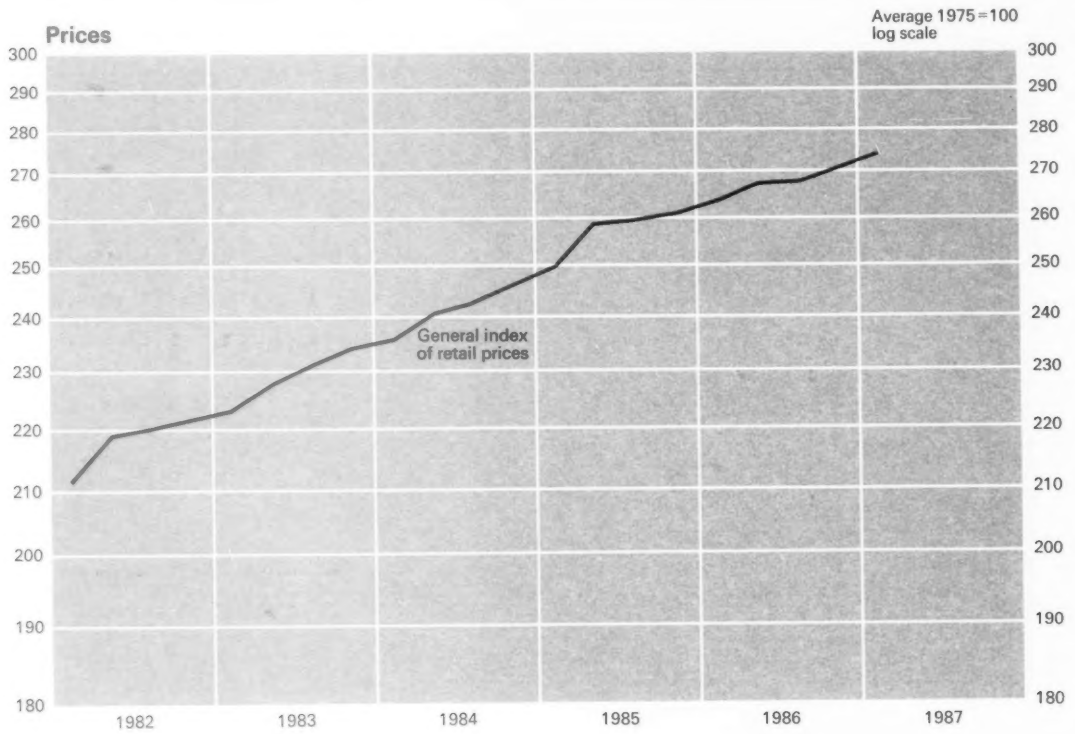


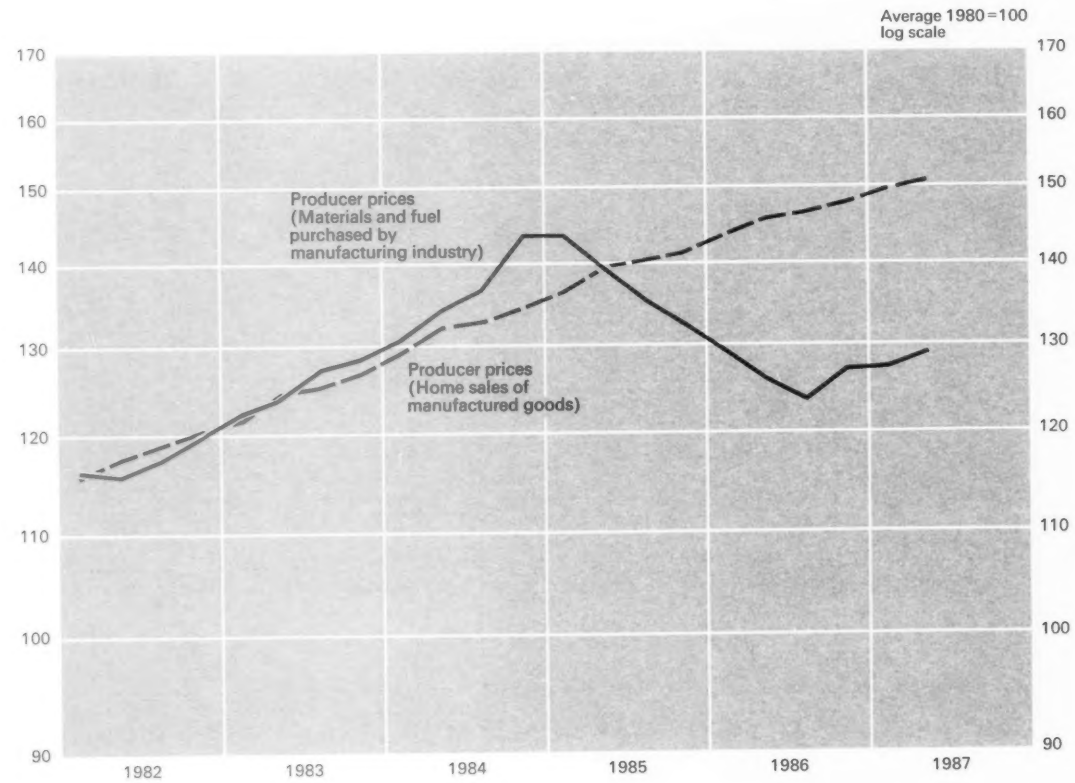
[1] Quarterly average of monthly figures

Prices

		Seasonally adjusted	Unadjusted									Average 1980=100p
		Average 1980=100	Average 1975=100(1)									
		Producer price index	General index of retail prices							Pensioner price index(2)		
		Materials and fuel purchased by manufacturing industry	Output All manufactured products Home sales	All items Index	All items Percentage increase on year earlier	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food Percentage increase on year earlier	One person household	Two person household	Purchasing power of the pound(3)
		DZDQ	DZCV	FJAC	FJAD	FJAE	FJAF	FJAG	FJAH	FJAI	FJAJ	FJAK
1978		81.6	79.1	146.2	8.3	152.9	144.3	146.4	9.0	150.4	149.6	134
1979		92.2	87.7	165.8	13.3	171.2	164.3	165.9	13.2	168.0	167.6	118
1980		100.0	100.0	195.6	18.1	191.9	196.5	196.3	18.5	195.7	194.5	100
1981		109.3	109.5	218.8	11.9	208.2	221.6	219.8	11.9	218.0	217.1	88
1982		117.2	118.0	237.6	8.7	224.5	241.1	238.4	8.5	238.3	236.8	82
1983		125.3	124.4	248.6	4.6	231.6	253.1	249.5	4.7	249.0	247.6	79
1984		136.4	132.1	260.9	5.0	244.6	265.2	261.4	4.7	261.4	260.3	75
1985		137.7	139.4	276.8	6.1	252.3	283.2	277.9	6.3	274.1	273.0	71
1986		126.6	145.7	286.3	3.4	260.5	293.0	287.1	3.3	283.0	281.7	68
1983	2	123.7	124.2	247.5	3.8	229.8	252.2	248.6	4.4	247.6	246.3	79
	3	127.2	125.1	250.7	4.6	232.6	255.5	251.6	4.4	249.6	248.4	78
	4	128.5	126.8	253.5	5.0	237.3	257.7	253.9	4.4	253.6	252.4	77
1984	1	130.7	129.0	255.1	5.1	241.3	258.7	255.2	4.6	256.8	255.4	77
	2	134.4	132.0	260.3	5.1	246.9	263.8	260.0	4.6	261.9	261.1	75
	3	136.8	132.8	262.5	4.7	245.1	267.2	263.3	4.6	262.1	261.0	74
	4	143.6	134.5	265.8	4.8	245.2	271.2	267.0	5.2	264.8	263.8	74
1985	1	143.3	136.6	269.2	5.5	249.7	274.3	270.0	5.8	269.0	268.0	73
	2	139.0	139.4	278.4	7.0	254.6	284.6	279.0	7.3	275.1	274.1	70
	3	135.9	140.2	279.1	6.3	251.6	286.4	280.7	6.6	275.0	273.9	70
	4	132.6	141.4	280.5	5.5	253.1	287.7	281.9	5.6	277.4	276.2	70
1986	1	129.4	143.4	282.5	4.9	257.6	289.0	283.4	5.0	280.3	278.9	69
	2	126.3	145.7	286.1	2.8	262.2	292.4	286.6	2.7	283.6	282.0	68
	3	123.5	146.3	286.5	2.6	261.1	293.1	287.4	2.4	283.4	282.2	68
	4	127.0	147.4	290.1	3.4	261.3	297.6	291.2	3.3	284.7	283.8	67
1987	1	127.2	149.3	293.7	3.9	266.9	300.5	294.3	3.8	287.2	286.3	67
	2	129.0†	150.9†	296.2†	4.2†	270.3†	305.4†	298.4†	4.1†			66†
1985	J	137.8	139.6	279.2	7.0	255.1	285.5	279.9	7.3	..	..	70
	J	136.3	139.9	278.7	6.9	251.5	285.8	280.2	7.3	..	..	70
	A	136.0	140.1	279.4	6.2	251.5	286.8	281.1	6.5	..	..	70
	S	135.3	140.5	279.3	5.9	251.9	286.5	280.9	6.0	..	..	70
	O	133.4	140.9	279.7	5.4	251.7	287.1	281.3	5.6	..	..	70
	N	132.5	141.5	280.7	5.5	253.1	287.9	282.1	5.5	..	..	70
	D	131.8	141.9	281.0	5.7	254.6	288.0	282.2	5.6	..	..	70
1986	J	131.1	142.7	281.6	5.5	255.9	288.4	282.7	5.6	..	..	69
	F	129.4	143.3	282.7	5.1	257.8	289.3	283.7	5.1	..	..	69
	M	127.8	144.3	283.1	4.2	259.0	289.4	283.8	4.2	..	..	69
	A	126.8	145.4	285.8	3.0	260.6	292.4	286.5	3.1	..	..	68
	M	126.7	145.9	286.4	2.8	262.4	292.5	286.7	2.7	..	..	68
	J	125.4	145.8	286.2	2.5	263.6	292.2	286.5	2.4	..	..	68
	J	122.2	146.0	285.4	2.4	260.6	291.9	286.3	2.2	..	..	69
	A	123.4	145.3	286.3	2.5	261.5	292.8	287.1	2.1	..	..	68
	S	125.0	146.7	287.7	3.0	261.3	294.5	288.7	2.8	..	..	68
	O	126.4	147.0	288.1	3.0	260.8	295.3	289.3	2.8	..	..	68
	N	127.1	147.4	290.6	3.5	260.7	298.4	291.7	3.4	..	..	67
	D	127.8	147.9	291.5	3.7	262.4	299.1	292.6	3.7	..	..	67
1987	J	127.0	148.9	292.7	3.9	265.6	299.8	293.4	3.8	..	..	67
	F	127.2	149.3	293.9	3.9	267.5	300.0	294.3	3.7	..	..	67
	M	127.4	149.7	294.5	4.0	267.5	301.6	295.2	4.0	..	..	66
	A	128.3†	150.5	296.0	4.3	269.8	305.2	298.1	4.0	..	..	66
	M	128.2	151.1†	296.3	4.2	271.4	305.2	298.4	4.1	..	..	66
	J	130.6	151.2	298.3†	4.2†	269.8†	305.8†	298.7†	4.3†	..	..	66†

1 The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 All items except housing.
3 Movements in the purchasing power of the pound are based on movements in the general index of retail prices.

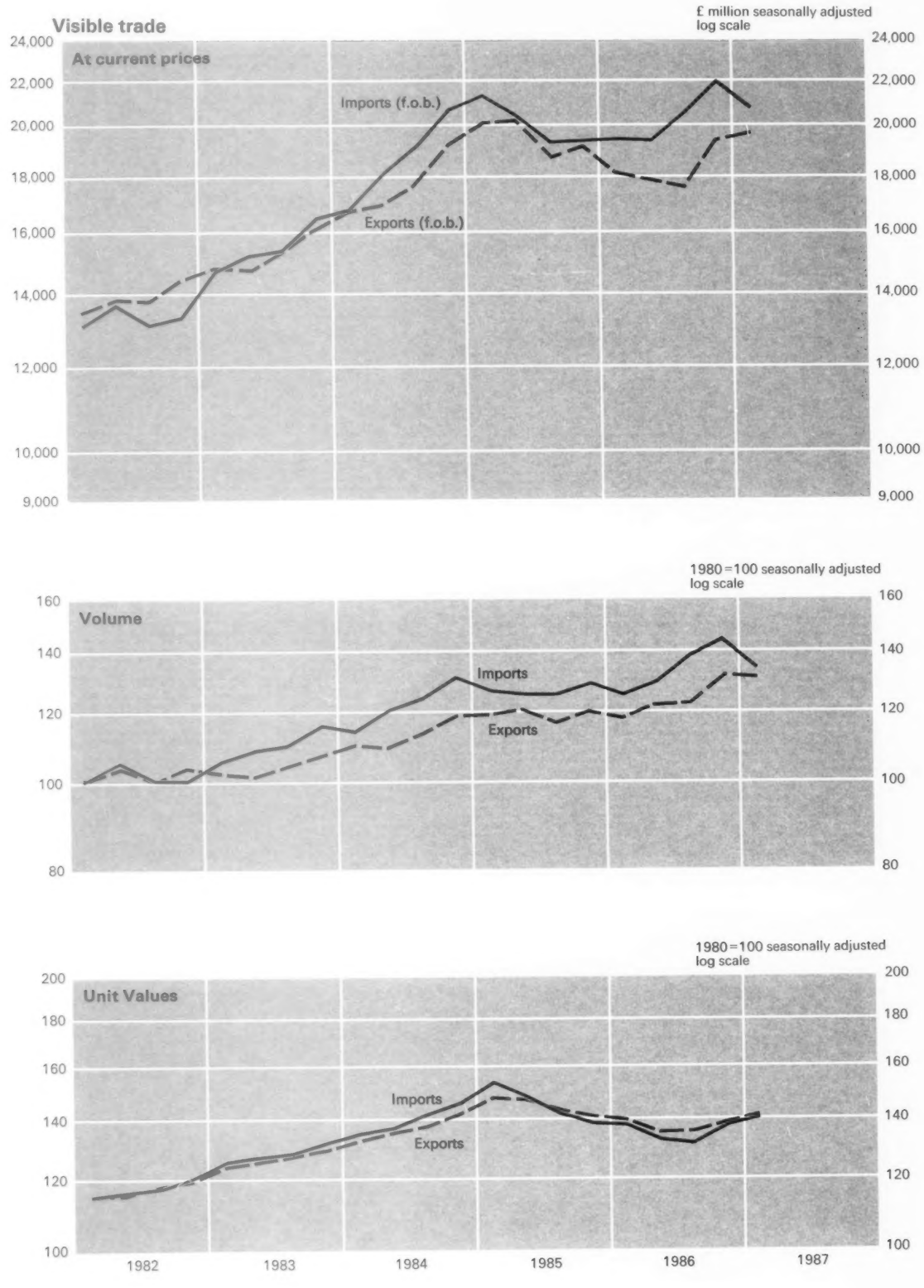

Prices
Average 1975=100
log scale
300
290
280
270
260
250
240
230
220
210
200
190
180
General index
of retail prices
1982
1983
1984
1985
1986
1987


Average 1980=100
log scale
170
160
150
140
130
120
110
100
90
Producer prices
(Materials and fuel
purchased by
manufacturing industry)
Producer prices
(Home sales of
manufactured goods)
1982
1983
1984
1985
1986
1987

Visible trade

		Seasonally adjusted		Unadjusted		
		1980=100		1980=100		
		Volume indices(1)		Unit value indices(1)		
		Exports	Imports	Exports	Imports	Terms of trade(2)
		CGTR	CGTS	CGTO	CGTP	CGTQ
1976		85.4	89.6	80.8	70.9	85.7
1977		92.1	91.3	72.0	82.1	87.7
1978		94.5	95.5	79.1	85.2	92.7
1979		99.1	105.7	87.6	90.9	96.4
1980		100.0	100.0	100.0	100.0	100.0
1981		99.3	96.3	108.8	108.2	100.5
1982		101.9	101.5	116.2	116.7	99.6
1983		103.8	109.7	125.7	127.5	98.6
1984		112.5	121.8	136.0	139.7	97.4
1985		118.7	126.0	143.5	145.2	98.8
1986		123.1	133.9	136.6	134.0	101.9
1984	1	109.5	113.6	131.4	133.9	98.2
	2	109.0	120.2	134.3	137.6	97.6
	3	112.8	123.6	137.1	141.4	96.9
	4	118.6	130.0	141.3	145.8	96.9
1985	1	118.7	126.3	146.4	152.3	96.1
	2	120.2	125.0	145.5	148.7	97.8
	3	116.2	124.8	141.7	141.4	100.2
	4	119.6	128.0	140.5	138.2	101.6
1986	1	117.5	124.9	139.0	137.6	101.0
	2	121.9	128.8	134.8	131.5	102.6
	3	122.6	138.5	134.3	130.2	103.1
	4	130.5	143.4	138.1	137.0	100.8
1987	1	130.0	133.2	140.1	140.0	100.5
1984	J	112.3	120.0	135.5	137.8	98.3
	J	107.5	114.0	135.3	140.0	96.6
	A	116.2	127.2	138.0	141.5	97.6
	S	114.6	129.6	137.9	142.8	96.5
	O	117.6	134.1	140.3	144.5	97.1
	N	119.4	125.0	141.2	146.1	96.6
	D	118.9	130.9	142.4	146.8	97.0
1985	J	119.2	123.8	143.8	149.1	96.5
	F	119.2	125.6	146.6	153.2	95.7
	M	117.7	129.5	148.7	154.7	96.1
	A	121.4	126.5	147.1	151.8	96.9
	M	121.0	122.2	145.3	148.2	98.0
	J	118.1	125.9	144.0	146.0	98.6
	J	117.4	127.1	142.1	143.5	99.1
	A	114.8	122.4	141.4	140.2	100.8
	S	116.4	125.0	141.4	140.5	100.7
	O	119.8	126.8	140.5	139.1	101.0
	N	119.1	131.6	140.4	137.5	102.1
	D	120.0	125.6	140.5	138.1	101.7
1986	J	117.8	121.6	140.7	138.3	101.8
	F	120.4	124.7	138.7	137.8	100.7
	M	114.3	128.4	137.5	136.6	100.6
	A	123.6	124.2	135.3	132.9	101.8
	M	120.6	131.1	134.3	131.5	102.2
	J	121.6	131.2	134.9	130.1	103.7
	J	125.7	136.2	133.3	129.0	103.4
	A	115.9	139.9	134.3	129.4	103.8
	S	126.2	139.3	135.3	132.2	102.3
	O	127.0	139.6	137.6	135.6	101.5
	N	132.8	146.7	138.1	136.8	100.9
	D	131.6	143.9	138.7	138.5	100.1
1987	J	124.6	131.4	140.4	140.1	100.2
	F	138.4	136.0	140.8	140.3	100.4
	M	126.9	130.2	141.0	139.8	100.8
	A	130.6	137.1	141.0	137.7	102.4
	M	122.5†	143.6†	140.9†	136.2†	103.4†

1 On a balance of payments basis.
2 Unit value index for exports expressed as a percentage of unit value index for imports.


Visible trade
£ million seasonally adjusted
log scale
At current prices
Imports (f.o.b.)
Exports (f.o.b.)
24,000
22,000
20,000
18,000
16,000
14,000
12,000
10,000
9,000
Volume
1980=100 seasonally adjusted
log scale
Imports
Exports
160
140
120
100
80
Unit Values
1980=100 seasonally adjusted
log scale
Imports
Exports
200
180
160
140
120
100
1982
1983
1984
1985
1986
1987

Measures of UK competitiveness in trade in manufactures

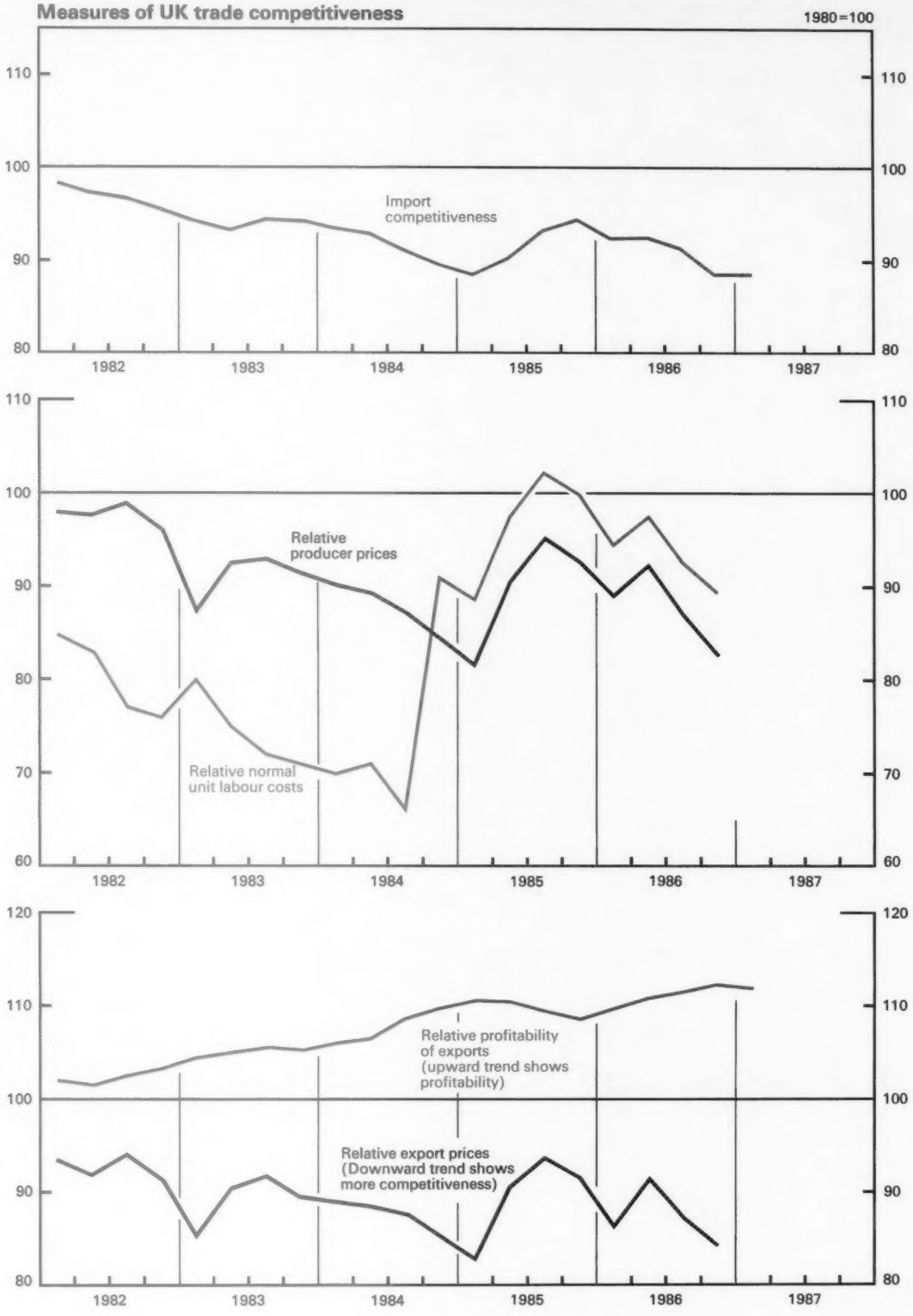
1980 = 100

		Summary measures(1)						Export unit value index(2)				
		Relative export prices(3)	Relative producer prices(3)	IMF index of relative unit labour costs(2) Actual	IMF index of relative unit labour costs(2) Normalised	Import price competitiveness(4)	Relative profitability of exports(4)	United Kingdom	United States	Japan	France	Federal Republic of Germany
		FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1983		89.2	91.0	86.7†	95.9†	94.3	105.0	81.0	120	97	79	82
1984		87.6	87.7	84.2	93.5	92.0	107.8	77.1	121	97	78	74
1985		89.7	90.0	85.3	95.0	91.8	108.7	79.7	124	95	81	75
1986		87.5†	87.9†	80.6	90.1	91.4	111.1	92.8	128	116		100
1985	1	82.9	81.6	77.6†	87.3†	88.7	110.5	68.7	124	91	72	67
	2	90.5	90.5	85.3	95.3	90.5	110.3	77.8	125	94	77	71
	3	93.7	95.0	90.1	100.0	93.4	109.4	84.5	124	95	84	78
	4	91.7	92.8	88.0	97.3	94.6	108.7	87.6	124	103	90	85
1986	1	88.3†	89.0	83.9	92.0	92.7	109.8	89.5	125	109	97	93
	2	90.5	92.1	85.3	94.8	92.8	110.9	94.7	127	116	98	96
	3	87.3	87.0†	79.1	89.1	91.5	111.5	94.4	129	119	104	103
	4	83.6	83.4	74.2	84.5	88.8	112.2	92.5	130	121		107
1987	1	87.1	85.8	77.3	87.9	88.8	112.0	100.9				
		Percentage change, quarter on corresponding quarter of previous year										
1985	1	-6.9	-9.4	-10.5	-8.2	-5.5	+4.2	-14.0	+2	-9	-9	-13
	2	+2.3	+1.5	+1.2	+1.4	-2.8	+3.5	-2.2	+2	-6	-5	-7
	3	+6.8	+8.9	+7.5	+7.0	+2.2	+0.6	+11.0	+2	-1	+9	+8
	4	+7.6	+10.0	+7.6	+7.5	+5.2	-1.0	+20.4	+2	-10	+20	+20
1986	1	+6.5	+9.1	+8.1	+5.4	+4.6	-0.6	+30.3	+1	+20	+35	+39
	2	+0.4	+1.8	-	-0.5	+2.5	+0.5	+21.7	+2	+23	+27	+35
	3	-6.8	-8.4	-12.2	-10.9	-2.1	+1.9	+11.7	+4	+25	+24	+32
	4	-8.8	-10.2	-15.7	-13.2	-6.1	+3.2	+5.6	+5	+17		+26
1987	1	-1.4	-3.6	-7.9	-4.5	-4.2	+2.0	+12.7				

		Producer price index(2)					Unit labour costs index(2)				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom(5)	United States	Japan	France	Federal Republic of Germany
		FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1983		81.1	113.1	95.5	78.2	82.6	75	111	107	74	77
1984		75.8	115.9	95.6	71.4	76.2	66	109	103	68	69
1985		77.8	116.4	94.6	74.2	75.8	70	111	104	68	67
1986		91.7	113.8	124.4	98.4	99.2	83	111	153†	86	94
1985	2	75.3	116.5	90.2	70.3	71.8	66	110	97	64	63
	3	82.9	116.1	93.8	78.6	77.8	75†	111	103	69	68
	4	87.3	116.7	106.1	84.7	85.6	79	112	122	76	76
1986	1	88.7	115.1	115.0	92.0	93.4	81	112	135†	84	85
	2	94.4	113.4	123.9	93.2	96.1	85	112	149	84	89
	3	93.6	113.1†	132.2	98.4	102.4	83	111	165	88	98
	4	90.5†	113.6	126.3	101.9	104.9	80	111	161	90	102
1987	1	99.0	115.0	131.4†	110.1†	114.2†	88	111†			
		Percentage change, quarter on corresponding quarter of previous year									
1985	2	-4.9	+0.3	-8.4	-5.4	-9.9	-5	+2	-9	-10	-13
	3	+12.0	+0.1	+0.4	+9.4	+4.7	+13	+2	+3	+5	+3
	4	+24.2	+0.5	+14.8	+24.2	+19.8	+25	+2	+24	+18	+20
1986	1	+35.4	-0.9	+30.1	+41.1	+37.8	+39	+1	+42	+37	+43
	2	+25.4	-2.7	+37.4	+32.6	+33.8	+28	+2	+54	+31	+41
	3	+12.9	-2.6	+40.9	+28.5	+31.6	+12	-	+60	+27	+43
	4	+3.7	-2.7	+19.0	+20.3	+22.5	+2	-1	+33	+18	+35
1987	1	+11.6	-0.1	+14.3	+19.7	+22.3	+8	-1			

1 The summary measures of competitiveness were described in Economic Trends No 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in Economic Trends No 319, May 1980 - see footnote 3.
2 All the indices are in terms of US dollars.
3 Figures are now base weighted using 1980 export data. Downwards movements indicate greater competitiveness.
4 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
5 See footnote 4 on page 40.

Measures of UK trade competitiveness

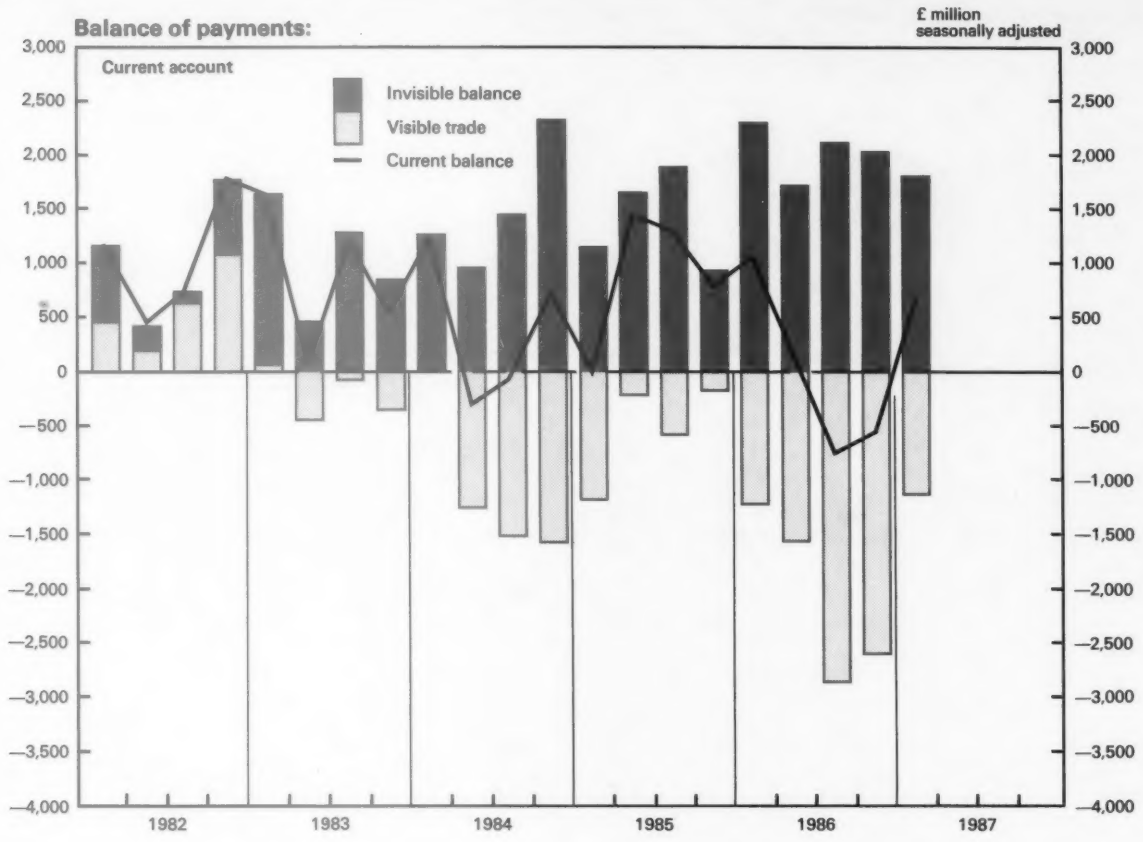


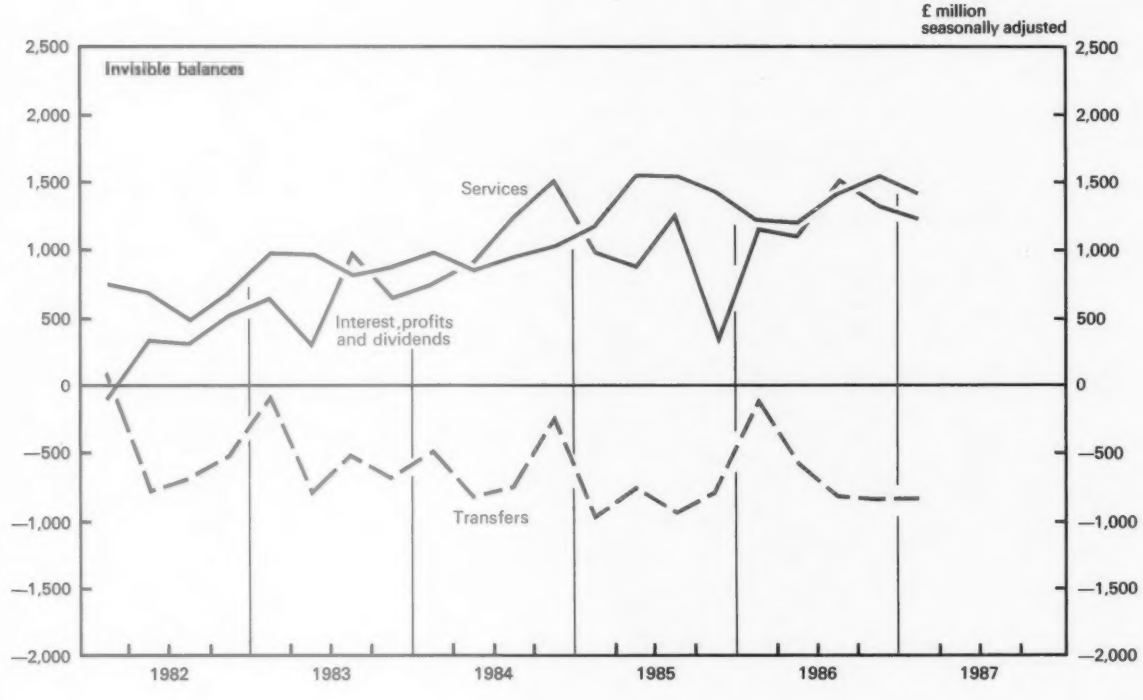
Balance of payments: current account

£ million, seasonally adjusted

		Visible trade			Invisibles						
							Balances				
		Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total(1)	Services	IPD	Transfers	Current balance
		CGKG	CGHK	AIMA	CGKR	CGHT	AIMB	AIMC	AIMD	AIME	AIMF
1976		25 191	29 120	-3 929	19 188	16 179	3 009	2 245	1 550	-786	-920
1977		31 728	34 012	-2 284	21 326	19 178	2 148	3 038	238	-1 128	-136
1978		35 063	36 605	-1 542	24 848	22 341	2 507	3 478	820	-1 791	965
1979		40 687	44 136	-3 449	33 224	30 492	2 732	3 818	1 193	-2 279	-717
1980		47 422	46 061	1 361	41 008	39 440	1 568	3 868	-222	-2 078	2 929
1981		50 977	47 617	3 360	58 640	53 825	2 815	3 820	949	-1 954	6 175
1982		55 565	53 234	2 331	64 639	62 906	1 733	2 804	1 071	-1 942	4 064
1983		60 776	61 611	-835	65 279	61 130	4 149	3 651	2 581	-2 083	3 314
1984		70 367	74 751	-4 384	76 983	71 012	5 971	3 827	4 419	-2 275	1 587
1985		78 111	80 289	-2 178	80 349	74 721	5 628	5 705	3 393	-3 470	3 450
1986		72 843	81 096	-8 253	76 347	68 214	8 133	5 382	5 076	-2 325	-120
1982	2	13 857	13 660	197	16 054	15 839	215	680	333	-798	412
	3	13 803	13 182	621	16 006	15 911	95	485	304	-694	716
	4	14 424	13 353	1 071	16 691	15 991	700	691	532	-523	1 771
1983	1	14 682	14 613	69	17 388	15 833	1 555	978	656	-79	1 624
	2	14 745	15 210	-465	15 422	14 957	465	973	292	-800	-
	3	15 290	15 376	-86	15 992	14 705	1 287	817	988	-518	1 201
	4	16 059	16 412	-353	16 477	15 635	842	883	645	-686	489
1984	1	16 693	16 706	-13	17 726	16 468	1 258	984	765	-491	1 245
	2	16 855	18 124	-1 269	17 849	16 889	960	883	901	-804	-309
	3	17 628	19 144	-1 516	19 686	18 240	1 446	951	1 246	-751	-70
	4	19 191	20 777	-1 586	21 722	19 415	2 307	1 029	1 507	-229	721
1985	1	20 081	21 279	-1 198	21 704	20 546	1 158	1 175	979	-996	-40
	2	20 192	20 404	-212	20 266	18 615	1 651	1 583	841	-753	1 439
	3	18 703	19 299	-596	19 426	17 530	1 896	1 554	1 272	-930	1 300
	4	19 135	19 307	-172	18 953	18 030	923	1 413	301	-791	751
1986	1	18 164	19 391	-1 227	19 058	16 767	2 291	1 217	1 175	-101	1 064
	2	17 786	19 337	-1 551	18 456	16 742	1 714	1 209	1 089	-584	188
	3	17 553	20 426	-2 873	19 270	17 159	2 111	1 414	1 508	-811	-762
	4	19 340	21 942	-2 602	19 563	17 546	2 017	1 542	1 304	-829	-585
1987	1	19 637	20 772	-1 135	19 528	17 726	1 802	1 410	1 212	-820	667
1985	M	6 775	6 644	132	..	..	551	..	..	..	683
	J	6 495	6 731	-235	..	..	550	..	..	..	315
	J	6 372	6 667	-295	..	..	632	..	..	..	338
	A	6 115	6 247	-131	..	..	632	..	..	..	501
	S	6 216	6 387	-170	..	..	632	..	..	..	462
	O	6 389	6 404	-15	..	..	252	..	..	..	237
	N	6 330	6 606	-276	..	..	253	..	..	..	-23
	D	6 415	6 296	119	..	..	418	..	..	..	537
1986	J	6 239	6 192	48	..	..	1 056	..	..	..	1 104
	F	6 160	6 463	-304	..	..	617	..	..	..	313
	M	5 765	6 736	-971	..	..	618	..	..	..	-353
	A	6 049	6 303	-255	..	..	571	..	..	..	316
	M	5 870	6 555	-685	..	..	572	..	..	..	-113
	J	5 867	6 478	-612	..	..	571	..	..	..	-41
	J	5 970	6 629	-659	..	..	704	..	..	..	45
	A	5 480	6 863	-1 383	..	..	703	..	..	..	-680
	S	6 103	6 934	-831	..	..	704	..	..	..	-127
	O	6 294	7 009	-715	..	..	672	..	..	..	-43
	N	6 589	7 589	-1 000	..	..	673	..	..	..	-327
	D	6 477	7 364	-887	..	..	672	..	..	..	-215
1987	J	6 235	6 752	-517	..	..	601	..	..	..	84
	F	5 973	7 174	-202	..	..	600	..	..	..	398
	M	6 429	6 846	-417	..	..	601	..	..	..	184
	A	6 572	7 076	-504	..	..	600	..	..	..	96
	M	6 290†	7 450†	-1 161†	..	..	600†	..	..	..	-561†

1 Monthly data is one third of the appropriate calendar quarter's estimate or projection, except for European Community budget refunds received in October 1984, January and March 1985 and European Community lump sum VAT abatements received in December 1985 and January 1986.

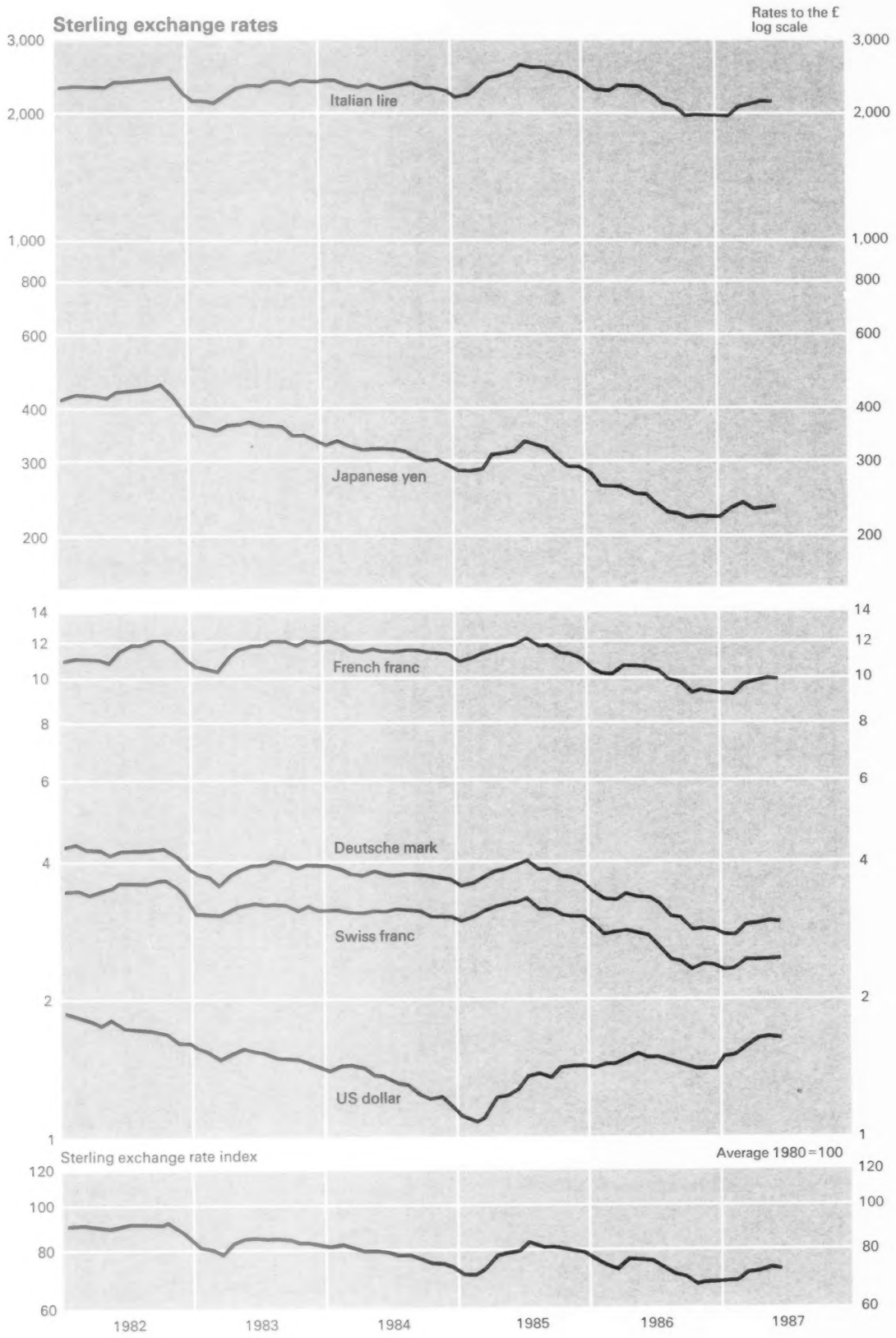

Balance of payments:
£ million
seasonally adjusted
Current account
Invisible balance
Visible trade
Current balance
3,000
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
−2,500
−3,000
−3,500
−4,000
1982
1983
1984
1985
1986
1987


£ million
seasonally adjusted
Invisible balances
Services
Interest, profits
and dividends
Transfers
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
1982
1983
1984
1985
1986
1987

Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies(1)						$ million	Average 1975=100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves(2) at end of period	Sterling exchange rate index
		AJFO	AJFA	AJFD	AJFE	AJFF	AJFH	AIPI	AJHT
1978		402.7	1.920	3.423	8.64	1 628	3.851	15 694	81.5
1979		485.5	2.123	3.527	9.03	1 762	3.887	22 536	87.3
1980		525.6	2.328	3.894	9.83	1 992	4.227	27 476	96.1
1981		444.6	2.025	3.969	10.94	2 287	4.556	23 347	95.3
1982		435.2	1.749	3.547	11.48	2 364	4.243	16 997	90.7
1983		359.9	1.516	3.182	11.55	2 302	3.870	17 817	83.3
1984		316.8	1.336	3.130	11.63	2 339	3.791	15 694	78.8
1985		307.1	1.298	3.155	11.55	2 463	3.784	15 543	78.7
1986		246.8	1.467	2.635	10.16	2 186	3.183	21 923	72.9
1983	1	360.8	1.532	3.085	10.55	2 144	3.688	17 337	80.6
	2	369.1	1.554	3.225	11.61	2 295	3.863	17 711	84.3
	3	365.8	1.509	3.242	12.02	2 375	3.989	17 902	84.9
	4	344.1	1.470	3.173	12.00	2 387	3.935	17 817	83.2
1984	1	331.1	1.435	3.157	11.91	2 385	3.876	16 749	81.7
	2	320.7	1.397	3.135	11.62	2 339	3.784	15 505	79.8
	3	315.9	1.298	3.166	11.62	2 334	3.787	15 260	78.0
	4	299.2	1.216	3.060	11.39	2 298	3.716	15 694	75.1
1985	1	287.1	1.115	3.070	11.09	2 255	3.629	13 528	72.1
	2	315.2	1.258	3.255	11.83	2 474	3.878	14 318	78.9
	3	328.0	1.376	3.231	11.94	2 603	3.917	14 176	82.1
	4	297.3	1.436	3.063	11.32	2 513	3.708	15 543	79.8
1986	1	270.2	1.440	2.845	10.37	2 300	3.378	18 750	75.1
	2	256.3	1.509	2.813	10.77	2 322	3.386	19 188	76.1
	3	232.1	1.489	2.511†	10.09	2 138	3.106	22 426	71.9
	4	229.5	1.430	2.380	9.40	1 987	2.868	21 923	68.3
1987	1	236.1	1.542	2.383	9.44	2 014	2.834	27 039	69.9
1984	A	318.3	1.314	3.176	11.64	2 338	3.791	15 347	78.4
	S	308.8	1.259	3.142	11.69	2 352	3.808	15 260	77.3
	O	301.1	1.220	3.079	11.48	2 317	3.744	15 353	75.6
	N	302.2	1.242	3.081	11.40	2 309	3.714	15 496	75.7
	D	294.3	1.187	3.040	11.29	2 270	3.689	15 694	74.0
1985	J	286.8	1.129	2.999	10.95	2 199	3.577	15 521	71.5
	F	284.7	1.093	3.064	11.02	2 229	3.608	15 353	71.3
	M	289.8	1.123	3.146	11.31	2 336	3.701	13 528	73.4
	A	312.3	1.242	3.210	11.69	2 446	3.830	14 025	78.0
	M	314.6	1.250	3.264	11.84	2 476	3.882	13 978	78.8
	J	318.7	1.281	3.292	11.96	2 502	3.923	14 318	79.9
	J	332.6	1.378	3.323	12.21	2 620	4.014	14 256	83.3
	A	328.4	1.383	3.185	11.81	2 591	3.865	14 256	81.7
	S	322.6	1.365	3.185	11.81	2 597	3.871	14 176	81.4
	O	305.2	1.422	3.082	11.46	2 537	3.758	16 310	80.4
	N	293.6	1.440	3.065	11.38	2 523	3.734	15 976	80.0
	D	293.2	1.448	3.043	11.11	2 478	3.632	15 543	79.1
1986	J	284.7	1.423	2.941	10.66	2 388	3.473	15 560	76.6
	F	283.8	1.430	2.792	10.23	2 269	3.335	15 810	74.2
	M	282.1	1.467	2.801	10.23	2 263	3.325	18 750	74.6
	A	282.2	1.499	2.846	10.79	2 332	3.403	18 987	76.2
	M	253.8	1.521	2.817	10.79	2 322	3.387	19 166	76.1
	J	252.8	1.509	2.775	10.74	2 312	3.369	19 188	75.9
	J	239.4	1.508	2.633	10.45	2 229	3.248	19 083	74.0
	A	229.2	1.487	2.470	9.99	2 111	3.066	18 924	71.4
	S	227.6	1.472	2.432†	9.83	2 073†	3.003	22 426	70.4
	O	223.1	1.428	2.344	9.36	1 980	2.861	21 992	67.8
	N	232.0	1.425	2.400	9.43	1 996	2.884	22 006	68.5
	D	233.2	1.438	2.395	9.39	1 984	2.860	21 923	68.5
1987	J	232.9	1.507	2.348	9.33	1 982	2.797	21 952	68.8
	F	234.3†	1.527	2.351	9.28	1 981	2.785	22 257	69.0
	M	241.1	1.592	2.450	9.72	2 078	2.921	27 039	71.9
	A	232.9	1.630	2.438	9.83	2 106	2.952	29 807	72.3
	M	234.1	1.666	2.451	9.96	2 152	2.980	34 679	73.3
	J	235.3	1.629†	2.456	9.89†	2 143	2.952†	34 364†	72.8†

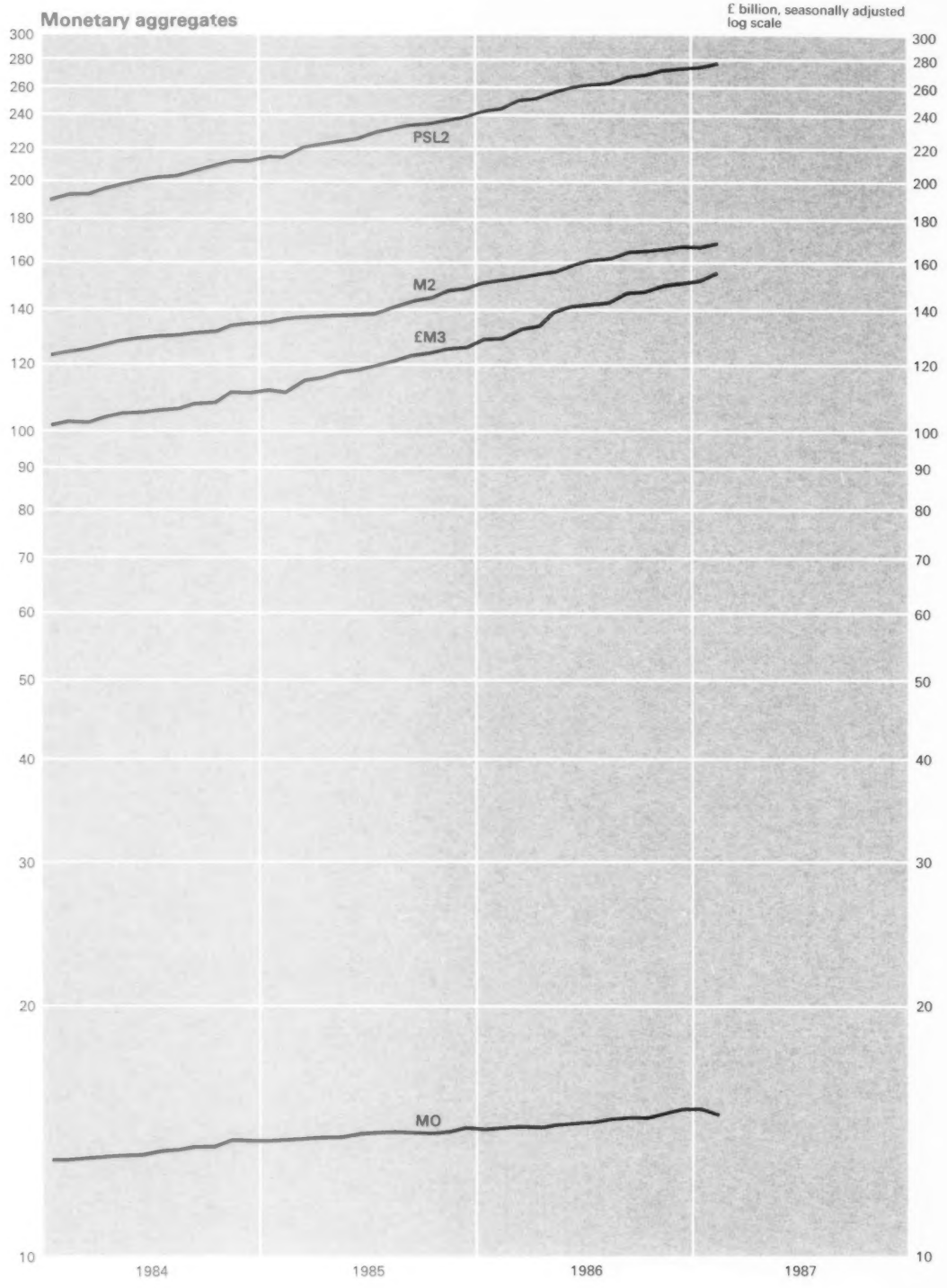
1 Average of daily Telegraphic Transfer rates in London.
2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. From end-March 1979 these rates are revised annually. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of Economic Trends. At end-March 1986 the valuation change increased the level of reserves by $2505 million. The effect of changes in earlier years are given in earlier editions of this table.


Sterling exchange rates
Rates to the £
log scale
3,000
2,000
1,000
800
600
400
300
200
Italian lire
Japanese yen
14
12
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling exchange rate index
Average 1980=100
120
100
80
60
1982
1983
1984
1985
1986
1987

Monetary aggregates (1)

		M0				M3				M4			
		Unadjusted		Seasonally adjusted		Unadjusted		Seasonally adjusted		Unadjusted		Seasonally adjusted	
		Amount outstanding(2)		Amount outstanding	Velocity of circulation	Amount outstanding		Amount outstanding	Velocity of circulation	Amount outstanding		Amount outstanding	Velocity of circulation
		£ million	Annual percentage change	£ million	Ratio	£ million	Annual percentage change	£ million	Ratio	£ million	Annual percentage change	£ million	Ratio
		AVAD	AVAK	AVAE	AVAM	ABAJ	AUZD	AEBC	AEBY	AUYM	AUZP	AUYN	AUYU
1983		13 849	7.11	13 081	23.60	102 309	10.29	100 791	3.10	176 212	12.81	175 290	1.81
1984		14 615	5.53	13 834	23.95	112 561	9.62	111 123	3.04	200 003	13.27	199 237	1.72
1985		15 173	3.82	14 412	25.10	127 640	13.38	126 221	2.98	225 957†	12.97	225 177†	1.66
1986		15 956	5.16	15 188	25.74	151 729	18.06	150 423	2.70	261 441	15.19	259 388	1.54
1983	1	12 431	-	12 568	23.59	94 677	-	95 132	3.15	161 803	-	162 043	1.85
	2	12 678	6.17	12 731	23.29	98 044	11.60	97 435	3.06	167 020	13.85	166 236	1.79
	3	12 830	5.72	12 889	23.67	99 143	10.92	98 457	3.10	170 409	13.27	170 203	1.80
	4	13 849	7.11	13 081	23.86	102 309	10.29	100 791	3.11	176 212	12.81	175 290	1.80
1984	1	13 030	4.98	13 229	23.95	102 414	8.03	102 812	3.06	180 781	11.65	181 062	1.76
	2	13 339	5.21	13 441	23.81	105 944	7.89	105 581	3.03	188 103	12.53	187 504	1.72
	3	13 575	5.81	13 634	23.92	108 256	9.04	108 101	3.04	192 779	13.04	193 303	1.70
	4	14 615	5.53	13 834	24.14	112 561	9.62	111 123	3.02	200 003	13.27	199 237	1.69
1985	1	13 738	5.43	13 954	24.56	114 631	11.53	115 083	3.03	206 225†	13.84	206 802†	1.68
	2	14 023	5.13	14 133	25.02	118 462	11.43	118 336	3.01	212 659	12.84	212 451	1.68
	3	14 060	3.79	14 147	25.18	123 512	13.69	123 217	2.95	218 999	13.38	219 637	1.65
	4	15 173	3.82	14 412	25.66	127 640	13.38	126 221	2.93	225 957	12.97	225 177	1.64
1986	1	14 305	4.13	14 452	25.54	134 029	16.68	134 537	2.84	236 421	14.51	236 923	1.59
	2	14 477	3.24	14 592	25.67	140 797	18.62	141 222	2.70	246 267	15.67	246 535	1.54
	3	14 770	4.83	14 827	25.85	146 993	18.96	147 105	2.65	253 350	15.65	253 217	1.52
	4	15 956	5.16	15 188	25.90	151 729	18.06	150 423	2.61	261 441	15.19	259 388	1.51
1987	1	14 809	3.52	15 040	26.05	160 142	18.99	160 456	2.54	270 798	13.93	270 614	1.49
Calendar month													
1985	M	14 021	5.13	14 043		116 920†	10.84	117 333†		209 859†	12.85	210 635†	
	J	14 023	5.13	14 133		118 462	11.43	118 336		212 659	12.84	212 451	
	J	14 277	4.75	14 154		120 099	12.22	119 575		215 296	13.00	214 503	
	A	14 270	4.63	14 167		122 314	13.82	121 553		217 532	13.74	217 399	
	S	14 060	3.79	14 147		123 512	13.69	123 217		218 999	13.38	219 637	
	O	14 010	3.67	14 139		125 051	14.31	124 011		221 148	13.32	221 054	
	N	14 092	2.44	14 224		126 802	12.17	125 304		223 593	12.24	223 420	
	D	15 173	3.82	14 412		127 640	13.38	126 221		225 957	12.97	225 177	
1986	J	14 340	4.09	14 367		127 091	13.83	128 423		228 247	13.04	228 989	
	F	14 119	3.83	14 387		128 098	15.56	129 755		230 404	14.46	231 946	
	M	14 305	4.13	14 452		134 029	16.68	134 537		236 421	14.51	236 923	
	A	14 377	2.13	14 409		135 048	17.48	135 854		238 186	14.90	239 037	
	M	14 537	3.68	14 540		138 500	19.08	140 044		243 058	15.69	243 856	
	J	14 477	3.24	14 592		140 797	18.62	141 222		246 267	15.67	246 535	
	J	14 720	3.10	14 600		142 264	18.24	142 382		248 566	15.33	248 405	
	A	14 856	4.11	14 742		142 889	16.43	142 841		249 527	14.58	250 229	
	S	14 770	4.83	14 827		146 993	18.96	147 105		253 350	15.65	253 217	
	O	14 883	4.88	14 826		148 270	18.51	147 279		256 064	15.76	254 858	
	N	14 827	5.22	14 973		150 496	18.63	149 220		258 648	15.65	257 683	
	D	15 956	5.16	15 188		151 729	18.06	150 423		261 441	15.19	259 388	
1987	J	14 922	4.06	15 104		150 504	17.81	152 007		261 780	13.89	261 486	
	F	14 694	4.07	14 976		153 485	18.98	155 465		264 286	13.89	265 120	
	M	14 809	3.52	15 040		160 142	18.99	160 456		270 798	13.93	270 614	
	A	15 134	5.27	15 106		163 330	20.46	163 428		274 337	14.57	274 242	
	M	15 176†	4.40	15 179†		166 585	18.94	166 872		277 782	13.69	277 981	

1 A fuller range of monetary aggregates is published monthly in 'Financial Statistics.'
2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.


Monetary aggregates
£ billion, seasonally adjusted
log scale
300
280
260
240
220
200
180
160
140
120
100
90
80
70
60
50
40
30
20
10
PSL2
M2
£M3
M0
1984
1985
1986
1987

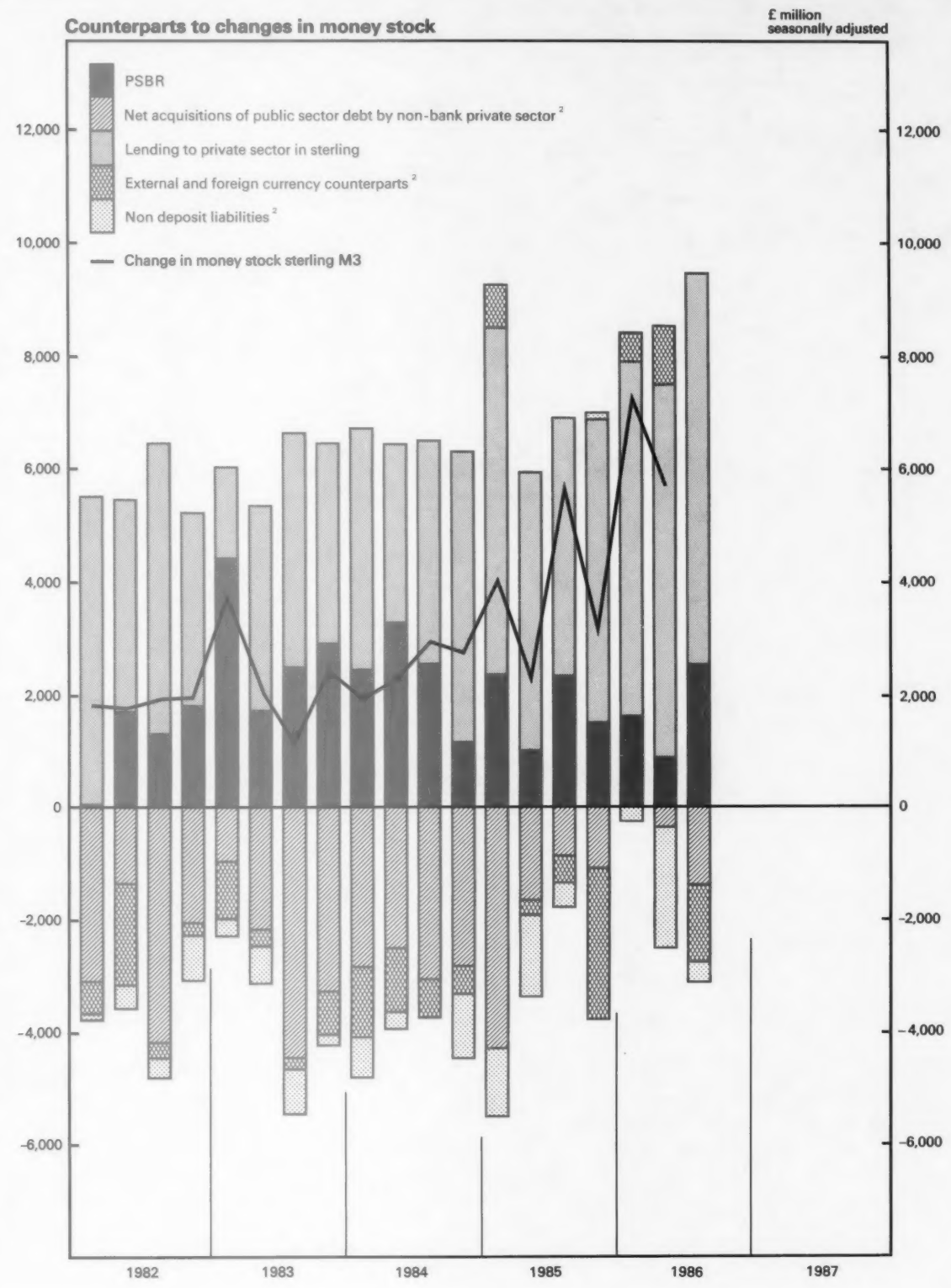
Counterparts to changes in M3 (1)

£ million

		Public Sector Borrowing Requirement	Purchases by UK non-bank private sector of: Other public sector debt	Central government debt: British government stocks	Central government debt: Other	External and foreign currency financing of public sector: Purchase of British government stocks by overseas sector	External and foreign currency financing of public sector: Other	Banks' sterling lending to UK non-bank private sector	External and foreign currency transactions of UK banks	Net non-deposit sterling liabilities	Domestic counterparts	External and foreign currency counterparts	M3
		1	2	3	4	5	6	7	8	9	10	11	12
		ABEN	AGFA	ABGN	ABHJ	AARC	AGGA	AGFD	AGFJ	AGGG	AGFE	AGFF	AGCJ
1983		969	490	-691	-251	-78	-53	1 075	..	..	1 143	..	790
1984		851	141	-619	-320	-81	-53	1 378	..	..	1 802	..	821
1985		627	1 473	-531	-241†	-243	-18	1 747	..	..	1 725†	..	1 255
1986		184	2 271†	-267	-202	-186	13	2 543	..	..	2 445	..	1 921
1983	1	598	-124	-89	-243	-40	-237	857	..	..	1 083	..	859
	2	1 065	213	-601	-202	-217	85	1 075	..	..	1 408	..	1 129
	3	1 234	151	-1 302	-257	-73	-42	1 269	..	..	995	..	366
	4	979	250	-772	-301	17	-17	1 099	..	..	1 088	..	1 005
1984	1	-27	-334	-583	-268	-115	-77	1 685	..	..	696	..	34
	2	1 531	-222	-477	-277	-21	-106	908	..	..	1 611	..	1 174
	3	952	-165	-684	-275	-68	-140	1 273	..	..	1 211	..	775
	4	947	862	-733	-459	-119	110	1 648	..	..	1 690	..	1 299
1985	1	-40	-20	-1 219	-231	-239	-92	2 386	..	..	870	..	885
	2	867	178	-320	-281	-426	156	1 469	..	..	1 793	..	1 277
	3	983	494	-243	-206	-126	-15	1 436	..	..	2 135	..	1 679†
	4	698	821	-340	-246†	-183	-124†	1 718	..	..	2 102†	..	1 377
1986	1	-628	39	-42	-18	-13	129	2 507	..	..	1 832	..	2 040
	2	724	1 751	-286	-383	-243	125	1 881	..	..	2 519	..	2 257
	3	1 192	100	-255	-268	-186	-152	447	..	..	2 950	..	2 130
	4	-551	381†	-486	-141	-303	-51	3 537	-548†	-321	2 481	-902†	1 257
1987	1	-251	417	575	-46	-266	518	2 448†	206	-471†	2 854	458	2 841
1985	J	-122	60	-384	-348	-428	77	2 529	..	..	1 735	..	1 541
	J	537	165	-205	-358	-191	-30	1 324	..	..	1 463	..	1 638†
	A	1 181	165	-100	-215	-66	82	485	..	..	1 516	..	2 215
	S	1 231	164	-425	-45	-120	-96†	2 500	..	..	3 425	..	1 183
	O	-300	274	-249	-339†	-494	-87	1 983	..	..	1 369†	..	1 539
	N	732	274	-952	-198	158	-119	1 044	..	..	902	..	1 752
	D	1 661	273	182	-202	-214	-166	2 127	..	..	4 034	..	841
1986	J	-4 510	13	-387	893	-126	104	420	..	..	-3 571	..	-549
	F	-390	13	615	-616	-48	78	3 076	..	..	2 698	..	1 008
	M	3 015	13	-353	-330	135	204	4 024	..	..	6 369	..	5 681
	A	697	584	-780	-438	-612	186	85	..	..	148	..	1 019
	M	1 014	584	988	-288	-14	17	1 485	..	..	3 785	..	4 456
	J	450	583	-1 066	-426	-102	172	4 073	..	..	3 624	..	1 296
	J	-321	33	-100	-448	-625	-151	2 948	..	..	2 112	..	1 486
	A	1 708	33	-995	-475	-227	-68	1 799	..	..	2 071	..	406
	S	2 189	34	329	120	295	-238	1 994	..	..	4 666	..	4 499
	O	-157	-44†	-1 144	-80	-243	-188	3 315	701†	-898†	1 904	270†	1 278
	N	-18	454	-624	-321	-258	-23	3 252	125	-338	2 718	-155	2 225
	D	-1 478	-29	311	-21	-408	58	4 044	-2 472	270	2 820	-2 822	268
1987	J	-3 574	24	517	353	181	253	1 362†	-466	231	-1 409	-47	-1 225
	F	-380	200	465	-209	-242	149	2 605	165	209	2 659	77	2 945
	M	3 300	193	743	-282	-717	1 151	3 378	919	-1 852	7 313	1 343	6 804
	A	1 770	496	-162	-33	-633	1 759	1 181	-1 092	-81	3 212	56	3 187
	M		703		-448		-	2 285	-336	-626	1 281	2 601	3 256

Relationships between columns: 10 = 1+2+3+4+7; 11 = 5+6+8; 12 = 9+10+11

1 A wider range of figures is published monthly in "Financial Statistics."


Counterparts to changes in money stock
£ million
seasonally adjusted
PSBR
Net acquisitions of public sector debt by non-bank private sector [2]
Lending to private sector in sterling
External and foreign currency counterparts [2]
Non deposit liabilities [2]
Change in money stock sterling M3
12,000
10,000
8,000
6,000
4,000
2,000
0
-2,000
-4,000
-6,000
1982
1983
1984
1985
1986
1987

General government receipts and expenditure (1)

£ million

		General government									
		Receipts(2)		Expenditure							
		Taxes, and social security contributions	Trading income rent, royalties interest etc.	Goods and services		Current and capital transfers			Net lending etc(3)	Total	Public expenditure planning total
				Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest			
		ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABAA	ABAB	ABAZ
1983		114 640	12 171	65 890	5 965	47 753	3 726	14 187	885	138 546	119 338
1984		123 241	12 763	69 792	6 358	52 473	3 982	15 758	-1 934	146 429	125 888
1985		135 316	14 473	74 291	7 087	57 336	3 457	17 473	-1 845	157 799	133 925
1986		143 102	12 863	79 555	7 332	59 060	3 258	17 023	-4 001	162 227	138 115
1984	1	32 143	3 159	17 060	2 284	13 198	1 329	4 342	-306	37 927	32 402
	2	28 093	3 083	17 097	1 036	13 166	850	3 329	-149	35 331	30 232
	3	31 056	3 279	17 583	1 574	13 122	850	4 153	-308	36 974	31 377
	4	31 949	3 242	18 032	1 464	12 985	953	3 934	-1 171	36 197	31 877
1985	1	35 084	3 650	18 578	2 443	14 820	1 083	4 640	-316	41 248	36 113
	2	30 493	3 586	18 399	1 241	13 978	682	3 837	-1 676	36 461	30 359
	3	34 462	3 544	18 373	1 718	14 273	850	4 673	-67	39 820	33 063
	4	35 267	3 693	18 941	1 685	14 265	842	4 323	214	40 270	34 390
1986	1	37 183	3 412	19 612	2 906	14 287	982	4 815	-547	42 055	36 206
	2	33 250	3 115	19 693	1 207	14 692	692	3 742	-1 243	38 783	32 702
	3	34 572	3 092	19 809	1 546	15 055	812	4 616	19	41 857	35 088
	4	38 097	3 244	20 441	1 673	15 026	772	3 850	-2 230	39 532	34 118
1987	1	39 531	3 356	20 683	2 118	15 928	964	5 030	-557	44 164	37 800

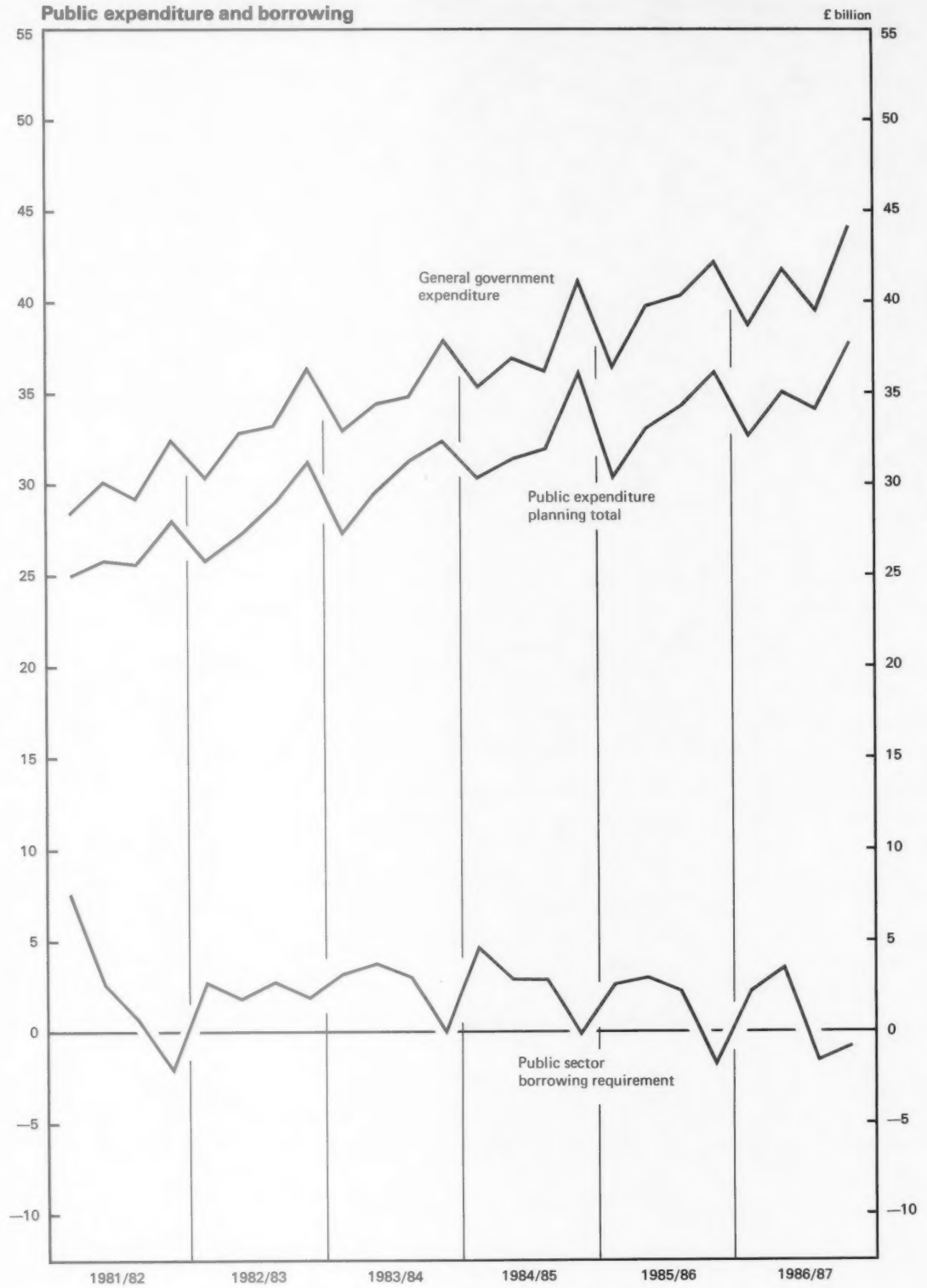
1 An article describing the new presentation of government income and expenditure was published in the March 1977 issue of Economic Trends.
2 Excluding financial transactions.
3 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

Financial transactions of the public sector(7)

£ million

		Financial deficit(1)				Receipts					
								Borrowing requirement(4)			
		Total	General government(2)	Public corporations	Net lending etc., to private sector and overseas(3)	Total	Financial transactions (net receipts)	Total	Central government (own account)(5)	Local authorities	Public corporations	Seasonally adjusted Total(6)
		FZAA	FZAB	FZAC	ABKB	ABKH	ABKI	ABEN	ABEB	ABEG	ABEM	ABFB
1983		11 031	10 850	181	-852	10 391	-1 237	11 628	9 203	1 232	1 193	11 628
1984		12 995	12 359	636	-2 509	10 507	294	10 213	6 887	2 304	1 022	10 213
1985		10 015†	9 855†	160	-2 356	7 510	-12	7 522	6 138	1 578	-194	7 522
1986		9 572	10 263	-691	-4 098	5 997	3 747	2 210	2 320	639	-749	2 210
1984	1	2 644	2 931	-287	-357	2 216	2 296	-80	-933	1 121	-268	2 487
	2	4 273	4 304	-31	-150	4 245	-349	4 594	4 525	554	-485	3 282
	3	3 815	2 947	868	-621	3 136	279	2 857	1 928	684	247	2 585
	4	2 263	2 177	86	-1 381	910	-1 932	2 842	1 389	-55	1 528	1 879
1985	1	3 341	2 820	521	-5	3 214	3 335	-121	-1 202	1 202	-121	2 380
	2	3 962†	4 058†	-96	-1 374	2 993	392	2 601	2 715	473	-587	1 194
	3	2 296	1 881	415	-550	1 714	-1 235	2 949	2 353	640	-44	2 369
	4	416	1 096	-680	-427	-411	-2 504	2 093	2 272	-737	558	1 579
1986	1	1 586	2 007	-421	-642	972	2 821	-1 885	-3 254	1 296	73	1 600
	2	3 483	3 661	-178	-1 130	2 756	583	2 171	3 047	-103	-773	928
	3	4 549	4 174	375	-52	4 612	1 036	3 577	3 646	130	-199	2 453
	4	-46	421	-467	-2 274	-2 343	-693	-1 653	-1 119	-684	150	-2 771
1987	1	1 691	1 834	-143	-607	1 618	2 384	-754	-1 116	863	-501	1 477
1987	A							1 768†	1 899†	398†	-529	
	M							-360	357	-800	-117†	
	J							-781	-546	-59	-156	

1 The excess of current and capital expenditure over receipts; corresponds to a negative figure of financial surplus/deficit.
2 Top table, columns 3 to 7, less 1 and 2.
3 Including cash expenditure on company securities (net).
4 Redefined: see article in Economic Trends No 364, February 1984.
5 Excluding borrowing matched by on-lending to local authorities and public corporations.
6 Calendar year constrained.
7 Due to the inclusion of the latest PSBR figures this table may not be internally consistent.


Public expenditure and borrowing
£ billion
55
50
45
40
35
30
25
20
15
10
5
0
—5
—10
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
1981/82
1982/83
1983/84
1984/85
1985/86
1986/87

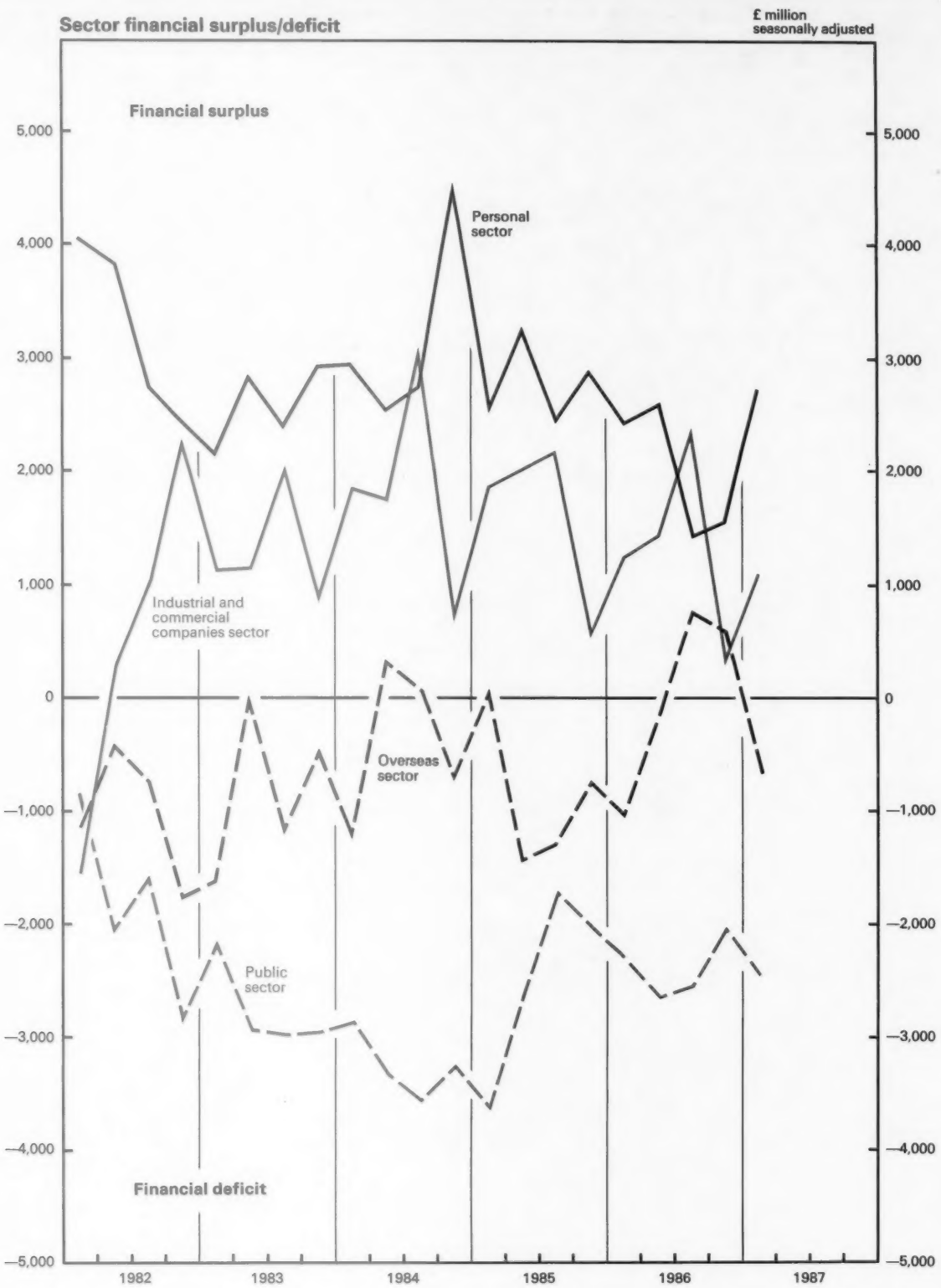
Summary capital accounts and financial surplus or deficit: analysis by sector

£ million, seasonally adjusted

		Public sector(1)			Financial companies and institutions			Industrial and commercial companies		
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Savings(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)
		ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAAO	AAUR	GGCW
1982		5 624	-910	12 094	3 839	-291	6 026†	18 592†	633	17 246†
1983		4 752	-1 545	14 238	4 820	-232	5 265	24 720	484	20 049
1984		2 257	-1 701	13 551	6 068†	-217	6 924	31 315	346	24 280
1985		3 653†	-628	13 040	7 462	-355	7 936	32 100	390	25 901
1986		3 318	-164	12 726	8 826	-478	7 243	32 180	528	27 397
1982	4	787	-363	3 253	1 039	-50	1 384†	5 853†	239	3 833†
1983	1	1 850	-344	3 656	1 254	-53	1 401	5 552	194	4 619
	2	855	-315	3 472	1 211	-67	1 276	5 548	123	4 529
	3	1 023	-395	3 615	1 185	-56	1 263	7 188	79	5 266
	4	1 024	-491	3 495	1 170	-56	1 325	6 432	88	5 635
1984	1	1 006	-534	3 329	1 270†	-38	1 455	7 380	78	5 609
	2	357	-447	3 228	1 494	-63	1 700	7 498	96	5 862
	3	369	-385	3 560	1 514	-60	1 871	8 748	98	5 759
	4	525	-335	3 434	1 791	-56	1 898	7 691	74	7 050
1985	1	-12	-282	3 365	1 986	-72	2 502	8 383	120	6 852
	2	706†	-174	3 181	1 612	-95	1 579	8 445	58	6 498
	3	1 883	-166	3 431	1 823	-93	1 951	8 295	106	6 226
	4	1 076	-26	3 063	2 081	-95	1 904	6 977	106	6 525
1986	1	1 211	-110	3 411	2 149	-81	1 947	7 215	98	6 072
	2	549	-62	3 139	1 986	-122	1 804	7 486	148	6 220
	3	593	-122	3 055	1 924	-123	1 705	9 034	158	6 839
	4	965	130	3 121	2 767	-152	1 787	8 445	122	8 266
1987	1	-92	111	2 502	2 353	-156	1 909	8 768	124	7 780

		Personal sector			Financial Surplus Deficit(4)					
		Saving(2)	Capital transfers (net receipts)	Gross domestic capital formation(3)	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector(5)	Balancing item(6)
		AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1982		24 809†	568	12 292†	-7 380	-2 478†	1 979†	13 086†	-4 064	-1 142†
1983		23 952	1 293	14 980	-11 031	-677	5 155	10 285	-3 314	-398
1984		27 000	1 572	15 830	-12 995	-1 072	7 381	12 742	-1 587	-4 469
1985		27 171	593	16 851	-10 015†	-829	6 589	10 913	-3 450	-3 208
1986		27 802	116	19 921	-9 572	1 105	5 318	7 997	120	-4 959
1982	4	5 718†	174	3 457†	-2 848	-395†	2 259†	2 436†	-1 771	321†
1983	1	5 453	203	3 525	-2 150	-200	1 127	2 131	-1 624	716
	2	6 315	259	3 726	-2 932	-132	1 142	2 848	-	-926
	3	5 816	372	3 817	-2 987	-134	2 001	2 371	-1 201	-50
	4	6 368	459	3 912	-2 962	-211	885	2 915	-489	-138
1984	1	6 363	494	3 920	-2 857	-223	1 849	2 937	-1 245	-481
	2	6 025	414	3 896	-3 318	-286	1 732	2 543	308	-997
	3	6 381	347	4 005	-3 576	-417	3 085	2 723	70	-1 885
	4	6 231	317	4 009	-3 244	-183	715	4 539	-721	-1 126
1985	1	6 372	214	4 066	-3 639	-808	1 851	2 520	40	-184
	2	7 280	211	4 242	-2 849†	-62	2 005	3 249	-1 439	-1 104
	3	6 217	153	4 125	-1 714	-221	2 175	2 245	-1 300	-1 185
	4	7 302	15	4 418	-2 013	62	558	2 899	-751	-755
1986	1	6 865	93	4 530	-2 310	121	1 240	2 428	-1 084	-416
	2	7 311	36	4 751	-2 852	60	1 417	2 596	-163	-1 255
	3	6 591	87	5 259	-2 584	96	2 354	1 419	782	-2 046
	4	7 035	-100	5 381	-2 026	828	307	1 554	585	-1 242
1987	1	8 253	-79	5 446	-2 483	288	1 115	2 728	-667	-978

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving plus capital transfers less gross domestic fixed capital formation, less increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, plus capital transfers.
6 For periods when the sector current and capital accounts are fully articulated it is equal to the residual error in the national accounts.


Sector financial surplus/deficit
£ million
seasonally adjusted
Financial surplus
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
−5,000
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
Financial deficit
1982
1983
1984
1985
1986
1987

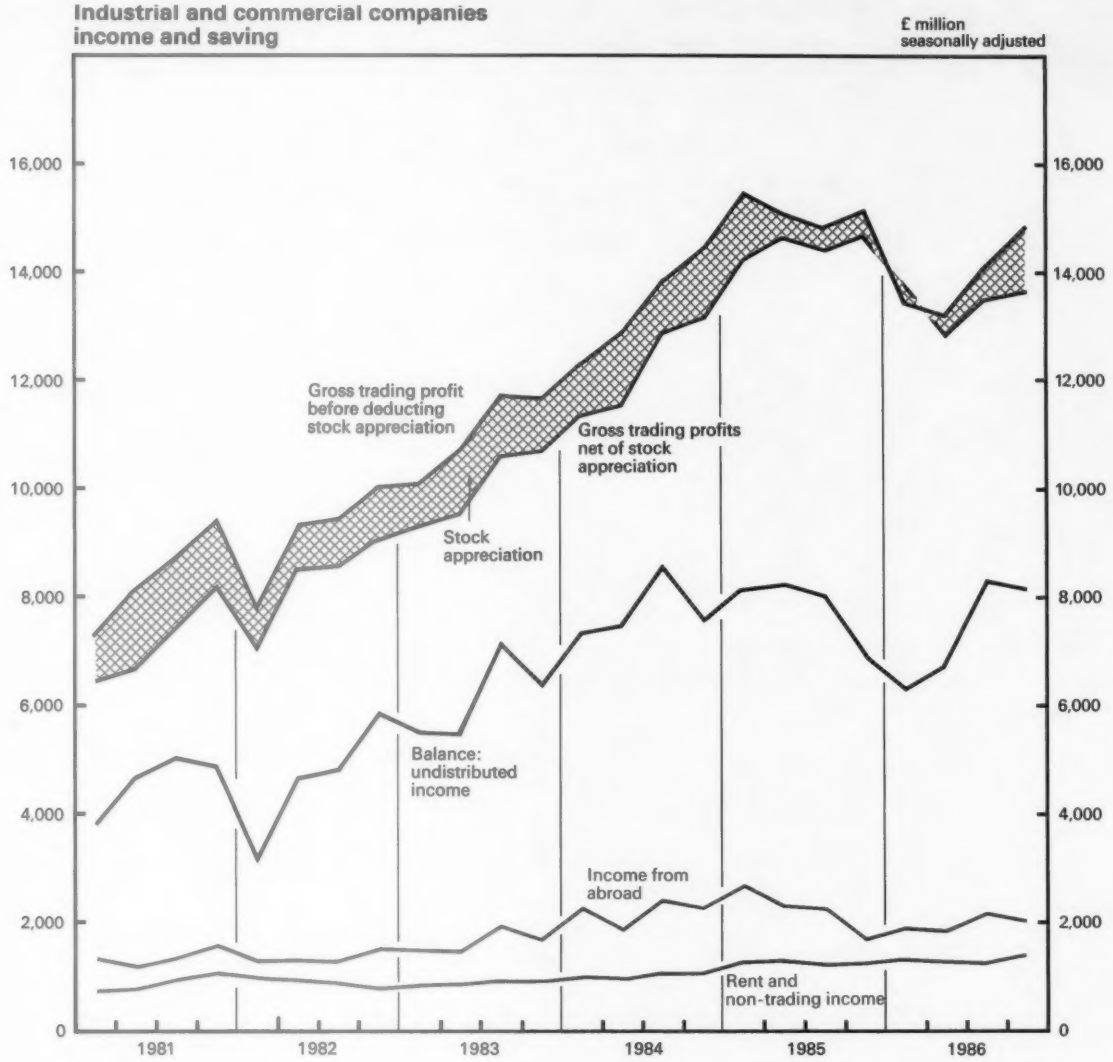
Appropriation account of industrial and commercial companies(1)

£ million, seasonally adjusted

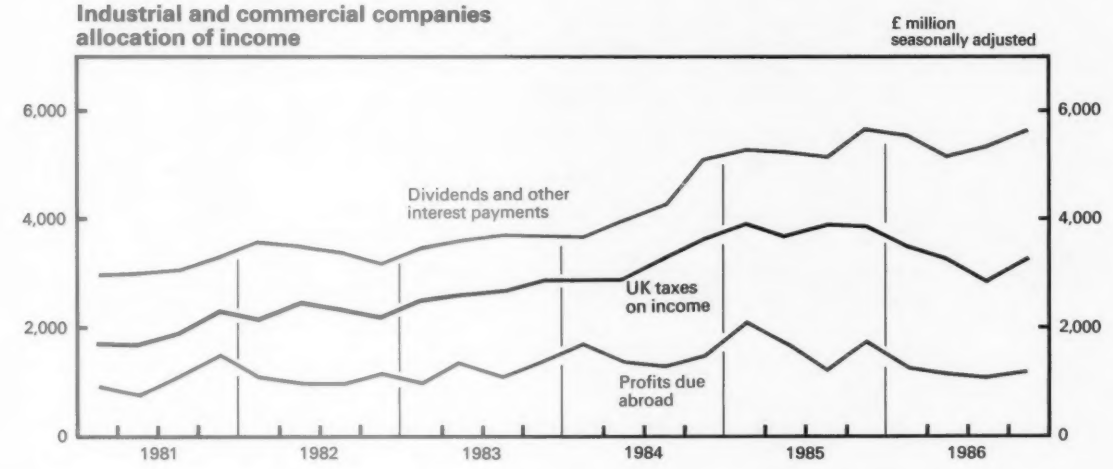
		Income								Allocation of income				Balance	
			Income arising in the United Kingdom							Dividends, interest and other transfer payments					
			Gross trading profits												
			Net of stock appreciation												
		Total income	Total(2)	N. Sea oil companies	Other companies	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Dividends on ordinary shares(3)	Other (3,4)	Profits due abroad (net of UK tax)	UK taxes on income: payments (5)	Undistributed income (6)	Undistributed income adjusted for unrealised profits (6,7)
		AIAN	AIAQ	CIDT	CIDU	AIAP	AIAQ	AIAR	AIAS	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1977		25 950	17 612	1 971	15 641	4 118	21 730	1 638	2 582	1 715	3 895	1 729	2 496	16 115	16 180
1978		29 192	21 114	2 814	18 300	3 443	24 557	1 851	2 984	1 904	4 315	1 980	3 246	17 747	17 709
1979		39 529	24 066	5 255	18 833	7 411	31 499	2 366	5 664	3 317	6 383	3 711	4 245	21 873	22 822
1980		40 016	26 256	8 056	18 200	5 544	31 800	3 244	4 972	3 146	9 172	4 424	5 808	17 486	18 225
1981		42 589	28 703†	10 864	17 839†	5 001†	33 704	3 457	5 428	3 188	9 084	4 182	7 682	18 453	18 173
1982		45 419†	33 222	12 720	20 502	3 454	36 676	3 531	5 212†	3 656†	10 033	3 974†	9 184	18 592†	18 053†
1983		54 452	40 253	15 673	24 580	4 114	44 377	3 551	6 524	4 395	10 025	4 831	10 681	24 720	23 773
1984		66 367	49 019	19 019	30 000	4 529	53 548	4 038†	8 783	5 297	11 598†	5 542	12 615†	31 315	28 714
1985		74 685	58 015	18 364	39 651	2 562	60 577†	5 034	9 074	6 798	14 168	6 369	15 250	32 100	30 834
1986		71 043	55 679	8 410†	47 269	1 917	57 596	5 224	8 223	8 492	12 916	4 850	12 805	32 180	30 516
1979	2	9 874	6 100	1 194	4 906	1 959	8 059	843	1 272	592	1 436	971	1 145	5 730	6 221
	3	10 467	6 332	1 527	4 805	1 941	8 273	811	1 583	763	1 650	1 002	1 103	5 949	6 263
	4	10 624	6 392	1 591	4 801	1 987	8 378	894	1 551	1 435	1 883	1 029	1 033	5 244	5 541
1980	1	11 229	6 752	1 930	4 822	2 225	8 977	782	1 470	810	2 231	1 227	1 500	5 461	5 905
	2	10 403	7 006	1 957	5 049	1 316	8 322	797	1 289	866	2 279	1 273	1 103	5 087	5 229
	3	9 063	6 086	1 995	4 091	1 146	7 232	813	1 018	848	2 248	909	1 512	3 546	3 703
	4	9 316	6 412	2 174	4 238	857	7 269	852	1 195	822	2 414	1 015	1 693	3 372	3 388
1981	1	9 412	6 441†	2 440	4 001†	917†	7 358	737	1 317	804	2 161	902	1 705	3 840	3 717
	2	10 140	6 660	2 683	3 977	1 524	8 184	765	1 191	851	2 147	761	1 686	4 695	4 455
	3	11 029	7 414	2 824	4 590	1 342	8 756	932	1 341	827	2 198	1 064	1 919	5 021	5 023
	4	12 008	8 186	2 917	5 271	1 218	9 406	1 023	1 579	706	2 578	1 455	2 372	4 897	4 978
1982	1	9 972†	7 010	2 679	4 331	771	7 781	950	1 241†	1 070†	2 525	1 001†	2 175	3 201†	2 919†
	2	11 560	8 565	3 001	5 564	807	9 372	939	1 249	907	2 586	936	2 421	4 710	4 583
	3	11 540	8 558	3 456	5 102	906	9 464	843	1 233	946	2 471	927	2 368	4 828	4 817
	4	12 347	9 089	3 584	5 505	970	10 059	799	1 489	733	2 451	1 110	2 200	5 853	5 734
1983	1	12 485	9 352	3 686	5 664	776	10 128	866	1 491	901	2 589	920	2 523	5 552	5 367
	2	13 078	9 595	3 648	5 947	1 171	10 766	869	1 443	1 145	2 473	1 310	2 802	5 548	5 381
	3	14 606	10 598	4 118	6 480	1 188	11 786	905	1 937	1 231	2 444	1 052	2 893	7 188	6 929
	4	14 281	10 718	4 219	6 499	999	11 717	911	1 653	1 118	2 519	1 349	2 863	6 432	6 116
1984	1	15 462	11 376	4 306	7 070	958	12 344	965	2 173	1 066	2 543†	1 832	2 861	7 380	7 259
	2	15 686	11 537	4 593	6 944	1 357	12 894	956	1 836	1 229	2 706	1 346	2 907†	7 498	7 216
	3	17 390	12 912	4 837	8 075	947	13 859	1 052	2 479	1 078	3 143	1 241	3 182	8 746	8 329
	4	17 809	13 194	5 283	7 911	1 257	14 451	1 063†	2 295	1 924	3 206	1 323	3 665	7 851	5 910
1985	1	19 471	14 285	5 251	9 004	1 249	15 514†	1 240	2 717	1 424	3 689	2 073	3 902	8 383	8 141
	2	18 737	14 695	4 860	9 835	385	15 080	1 309	2 348	1 538	3 589	1 525	3 840	8 445	7 805
	3	18 343	14 386	4 017	10 369	449	14 835	1 222	2 286	1 717	3 327	1 128	3 876	8 295	7 997
	4	18 134	14 669	4 226	10 443	479	15 148	1 263	1 723	2 119	3 563	1 643	3 832	6 977	6 891
1986	1	17 295	14 306	3 208	11 098	-306	14 000	1 325	1 973	2 163	3 325	1 147	3 448	7 215	7 500
	2	16 931	13 429	1 615	11 814	378	13 807	1 278	1 846	2 171	3 006	1 062	3 206	7 486	7 112
	3	18 263	14 228	1 576†	12 652	589	14 817	1 233	2 213	2 248	3 100	1 026	2 855	9 034	8 713
	4	18 551	13 716	2 011	11 705	1 256	14 972	1 388	2 191	1 910	3 485	1 415	3 296	8 445	7 181
1987	1	19 635	14 943	2 518	12 425	683	15 626	1 430	2 579	3 247	3 291	1 411	2 918	8 768	7 950

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986 and British Airways from 6 February 1987.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax;the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax)and petroleum revenue tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.
7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies(1)

£ million, seasonally adjusted

		Receipts					Expenditure					
		Total receipts(2)	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total expenditure	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Balance: Financial surplus or deficit
		FMBA	AAUQ	AIAP	FMBC	CIDZ	FMBF	AAUS	FMBG	FMBH	AAVG
1983		21 270†	24 720†	4 114†	20 606	664	16 115†	15 808†	127	180	5 155†
1984		27 330	31 315	4 529	26 786	544	19 949	19 439	312	198	7 381
1985		30 096	32 100	2 562	29 538	558	23 507	23 451	-112	168	6 589
1986		30 960	32 160	1 917	30 263	697†	25 651	24 997	483	171	5 309
1983	2	4 542†	5 548†	1 171†	4 377†	165	3 400†	3 821†	-463†	42	1 142†
	3	6 150	7 188	1 188	6 020	130	4 149	3 891	207	51	2 001
	4	5 572	6 432	999	5 433	139	4 687	4 309	327	51	885
1984	1	6 545	7 380	968	6 412	133	4 696	4 366	275	55	1 849
	2	6 281	7 498	1 357	6 141	140	4 549	4 803	-298	44	1 732
	3	7 947	8 746	947	7 799	148	4 882	4 919	-107	50	3 065
	4	6 557	7 691	1 257	6 434	123	5 842	5 351	442	49	715
1985	1	7 303	8 383	1 249	7 134	169	5 452	5 836	-433	49	1 851
	2	8 157	8 445	385	8 060	97	6 152	5 632	481	39	2 005
	3	7 992	8 295	449	7 846	146	5 817	5 967	-190	40	2 175
	4	6 644	6 977	479	6 498	146	6 086	6 016	30	40	558
1986	1	7 660	7 215	-306	7 521	139	6 419	6 154	224	41	1 241
	2	7 300	7 456	378	7 108	192†	5 886	6 118	-276	44	1 414
	3	8 646	9 034	589	8 445	201	6 293	6 391	-141	43	2 353
	4	7 354	8 445	1 256	7 189	165	7 053	6 334	676	43	301
1987	1	8 248	8 768	683	8 085	163	7 136	6 388	709	39†	1 112

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986 and British Airways from 6 February 1987
2 After deducting stock appreciation but before providing for depreciation.

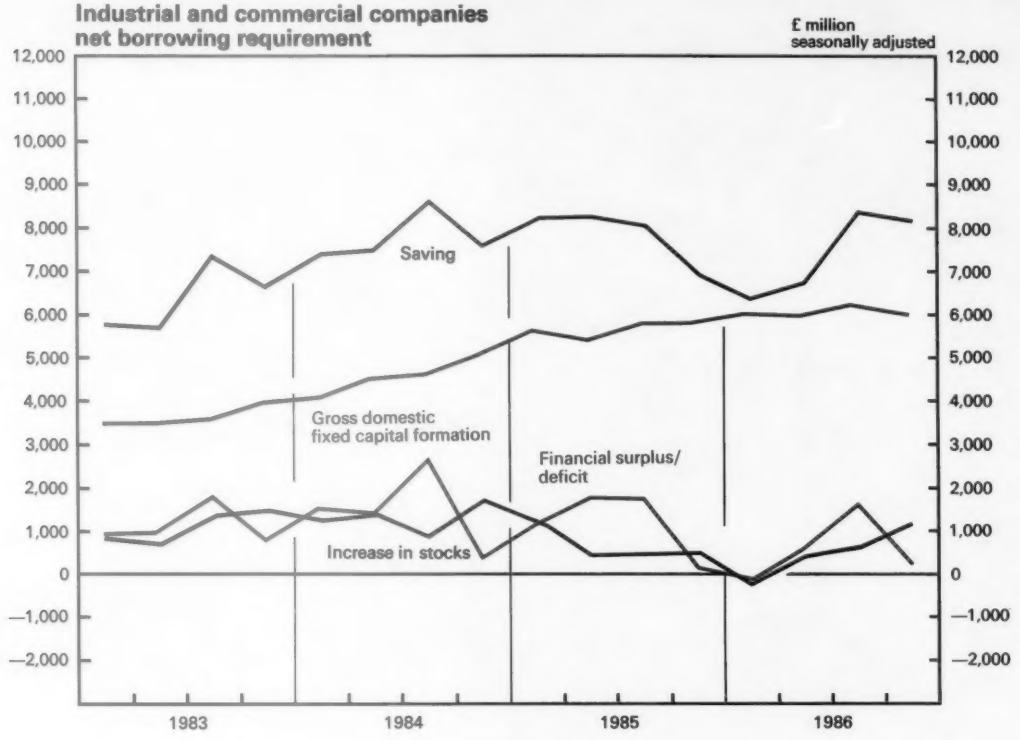
Financial transactions including net borrowing requirement of industrial and commercial companies (1)

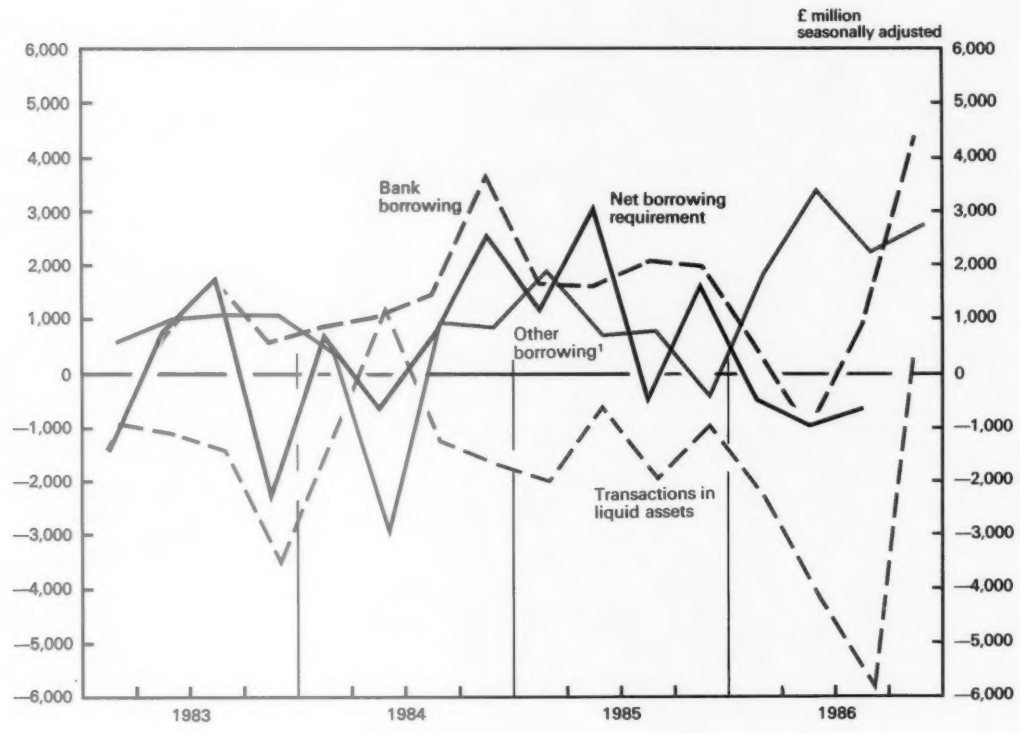
£ million, seasonally adjusted

		Transactions leading to net borrowing requirement					Financing of net borrowing requirement(5)				
		Financial surplus or deficit	Net unremitted profits(2)	Net identified trade and other credit(3)	Investment in UK company securities(4)	Investment abroad	Balancing item	Borrowing from Banks(6)	Borrowing from Other	Financial assets Liquid	Financial assets Other	Net borrowing requirement (NBR)
		AAVG	AICx	ABKP	FMBQ	AIDC	AIDD	AIDF	AIDJ	AIDG	AICV	AIDI
1983		5 155†	-847	325†	-1 381	-3 555	1 606	1 618	4 810	-5 881	-1 770	-1 203
1984		7 381	-2 601	-55	-3 878	-1 557	-2 035	7 075	-290	-2 206	-1 834	2 745
1985		6 589	-1 266	-60	-4 625	-4 816	-2 791	7 329	5 257	-4 972	-645	6 969
1986		5 309	-1 664	-1178	-3 728	-4 889	1 257†	5 329	10 834†	-11 499†	229†	4 893†
1983	2	1 142†	-187	-739	-525	-228	-500	627	1 574	-817	-349	1 035
	3	2 001	-259	-577	-323	-893	-1 889	1 776	1 519	-1 184	-171	1 940
	4	885	-316	122	-305	-932	3 806	591	587	-3 251	-987	-3 060
1984	1	1 849	-121	877	-1 330	-869	-1 123	873	594	-821	71	717
	2	1 732	-282	-283	-813	42	584	1 063	-3 101	1 391	-333	-980
	3	3 065	-417	-329	-475	-416	-1 867	1 466	885	-1 028	-904	419
	4	715	-1 781	-310	-1 260	-314	69	3 673	1 332	-1 456	-688	2 881
1985	1	1 851	-242	583	-1 229	-2 055	-470	1 657	2 406	-1 836	-667	1 562
	2	2 005	-640	-680	-1 410	-910	-1 573	1 603	1 108	-471	1 068	3 308
	3	2 175	-298	216	-1 093	-1 033	533	2 074	960	-1 811	-1 723	-500
	4	558	-86	-193	-893	-818	-1 181	1 995	781	-840	677	2 613
1986	1	1 241	285	1 094	-748	268	-850	811	932	-2 212	-823	-1 292
	2	1 414	-374	-823	-1 100	-289	841†	-175	3 757†	-3 986†	617	211†
	3	2 353	-321	-996	-1 019	-2 213	3 906	-515	2 531	-5 762	2 034	-1 712
	4	301	-1 254	-439	-883	-2 575	-2 644	4 881	3 516	778	-1 599†	7 574
1987	1	1 112	-818	1 038	-1 067	-989	-577	1 870	1 580	-3 517	639	572

1 Inflows(+), outflows(-); Relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11
2 Retained in UK (+), retained abroad (-).
3 Includes accruals adjustment.
4 Cash expenditure on subsidiaries and trade investments in the United Kingdom.
5 The NBR seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.
6 Includes Bank of England Issue Department transactions in commercial bills.

Industrial and commercial companies net borrowing requirement





UK banks' lending to UK residents(1)

	£ million, seasonally adjusted(2)					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies	Total	Sterling	Other currencies
Transactions	FPAA	AEBT	AECC	FPAD	AECI	AECO
1982	-2 325†	-2 273†	-52	19 505†	17 769†	1 736
1983	-1 924	-2 039	115	14 321	12 903	1 418
1984	1 183	892	291	21 446	16 541	4 905
1985	-1 688	-2 092	404	25 708	20 968	4 740
1986	-3 999	-4 034	35†	34 253	25 992	8 261†
1982 1	-2 763†	-2 775†	12	6 121†	5 480†	641
2	937	941	-4	4 125	3 747	378
3	-360	-371	11	5 343	5 121	222
4	-139	-68	-71	3 916	3 421	495
1983 1	-4 430	-4 430	-	1 395	1 610	-215
2	1 653	1 673	-20	4 153	3 608	545
3	736	786	-50	5 331	4 135	1 196
4	117	-68	185	3 442	3 550	-108
1984 1	-2 750	-2 714	-36	5 374	4 272	1 102
2	320	277	43	3 987	3 179	808
3	1 501	1 386	115	4 995	3 948	1 047
4	2 112	1 943	169	7 090	5 142	1 948
1985 1	-7 993	-8 082	89	9 404	6 179	3 225
2	1 677	1 642	35	6 334	4 952	1 382
3	2 909	2 887	22	3 705	4 511	-806
4	1 719	1 461	258	6 265	5 326	939
1986 1	-5 235	-5 236	1	8 632	6 270	2 362†
2	2 147	2 216	-69	8 084	6 510	1 574
3	-184	-379	195†	11 264	7 576	3 688
4	-727	-635	-92	6 273	5 636	637
1987 1	1 392	1 386	6	18 674	11 317	7 357

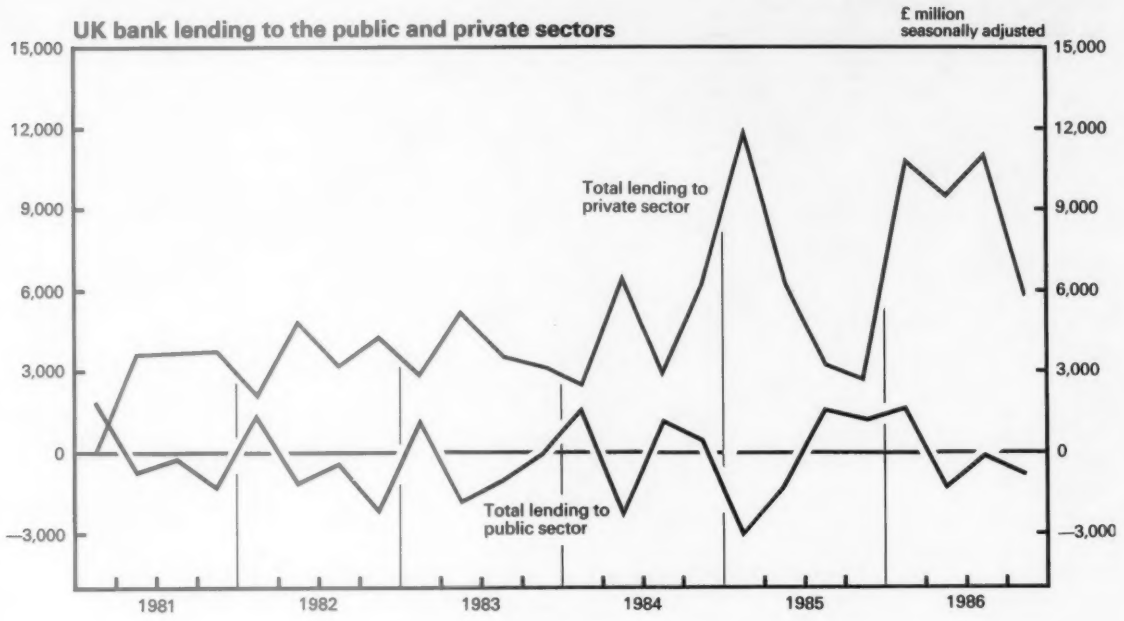
1 Seasonally adjusted data is shown on a calendar year basis whereas data for pages 5,52 and 54 are on a financial year basis.
2 The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

UK banks' loans, advances and acceptances to UK residents (1,2)

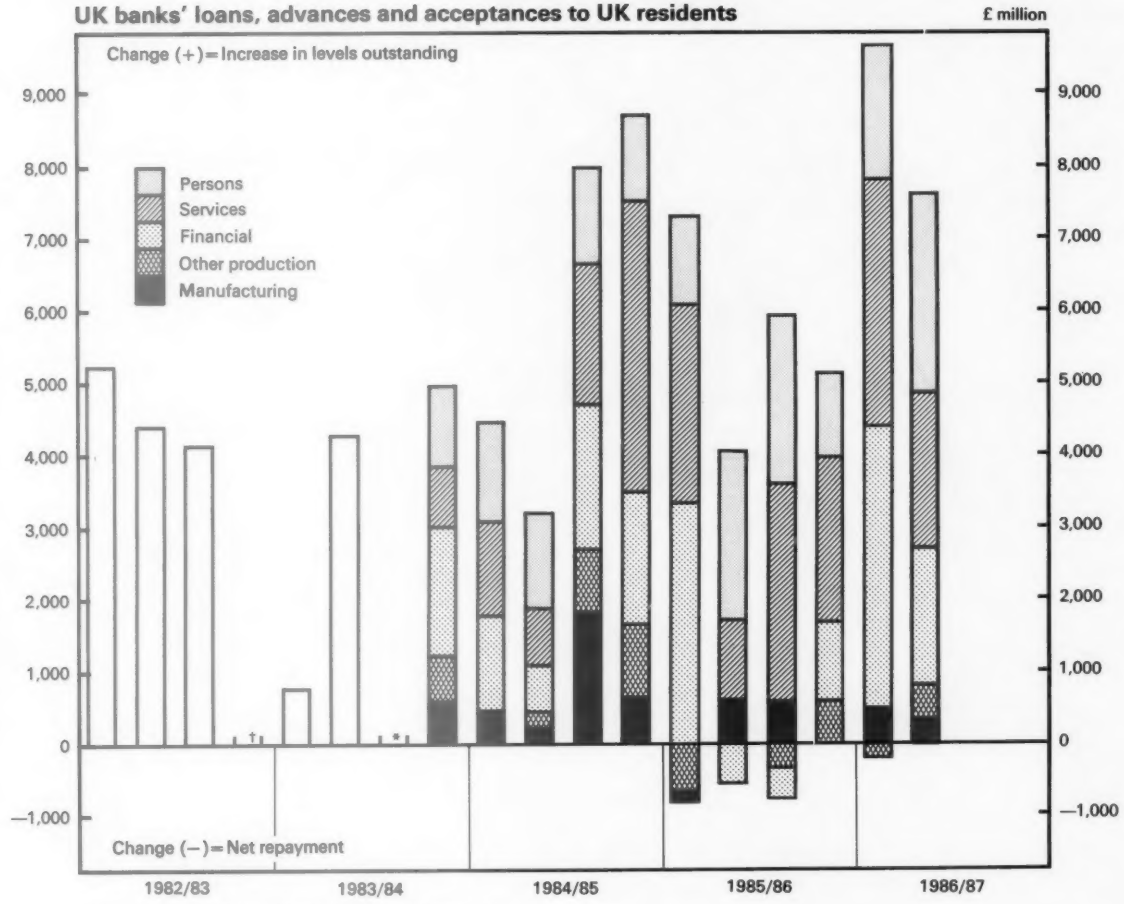
	£ million					
	Total loans, advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (February 1987):	212 645	30 177	16 926	60 286	54 826	50 428
Changes	FRAA	FRAB	FRAC	FRAD	FRAE	FRAF
1984						
Aug-Nov	8 010	1 800	710	2 065	2 145	1 290
Nov-Feb	8 727	657	989	1 302	4 623	1 156
1985						
Feb-May	6 442	-182	-877	3 426	2 757	1 098
May-Aug	3 382	621	-17	-641	1 061	2 358
Aug-Nov	5 089	601	-345	-458	2 938	2 353
Nov-Feb	5 013	36	582	941	2 194	1 260
1986						
Feb-May	9 456	518	-215	3 875	3 386	1 882
May-Aug	7 763	354	483	1 838	2 309	2 784
Aug-Nov	11 350	1 242	-567	2 691 (3)	-6 488 (3)	1 758
Nov-Feb	12 634	966	963	6 522	2 064	2 118

1 For a more detailed breakdown of these figures see Financial Statistics Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.
2 Due to the introduction of the revised analysis in November 1983, a breakdown is given only for this and later dates and any changes for the August-November 1983 period are not shown.
3 From November 1986 lending to securities dealers, stockbrockers and stockjobbers (including money placed with Stock Exchange money brokers and gilt-edged market makers) is included within the financial sector. Such lending was previously included in the services sector. Whilst the effect of this reclassification can be seen in the change shown for the services sector in the period August-November 1986, it is not possible to reflect it in the financial sector for the same period because the amount of outstanding lending to securities dealers etc. at August 1986 is not known.

UK bank lending to the public and private sectors



UK banks' loans, advances and acceptances to UK residents

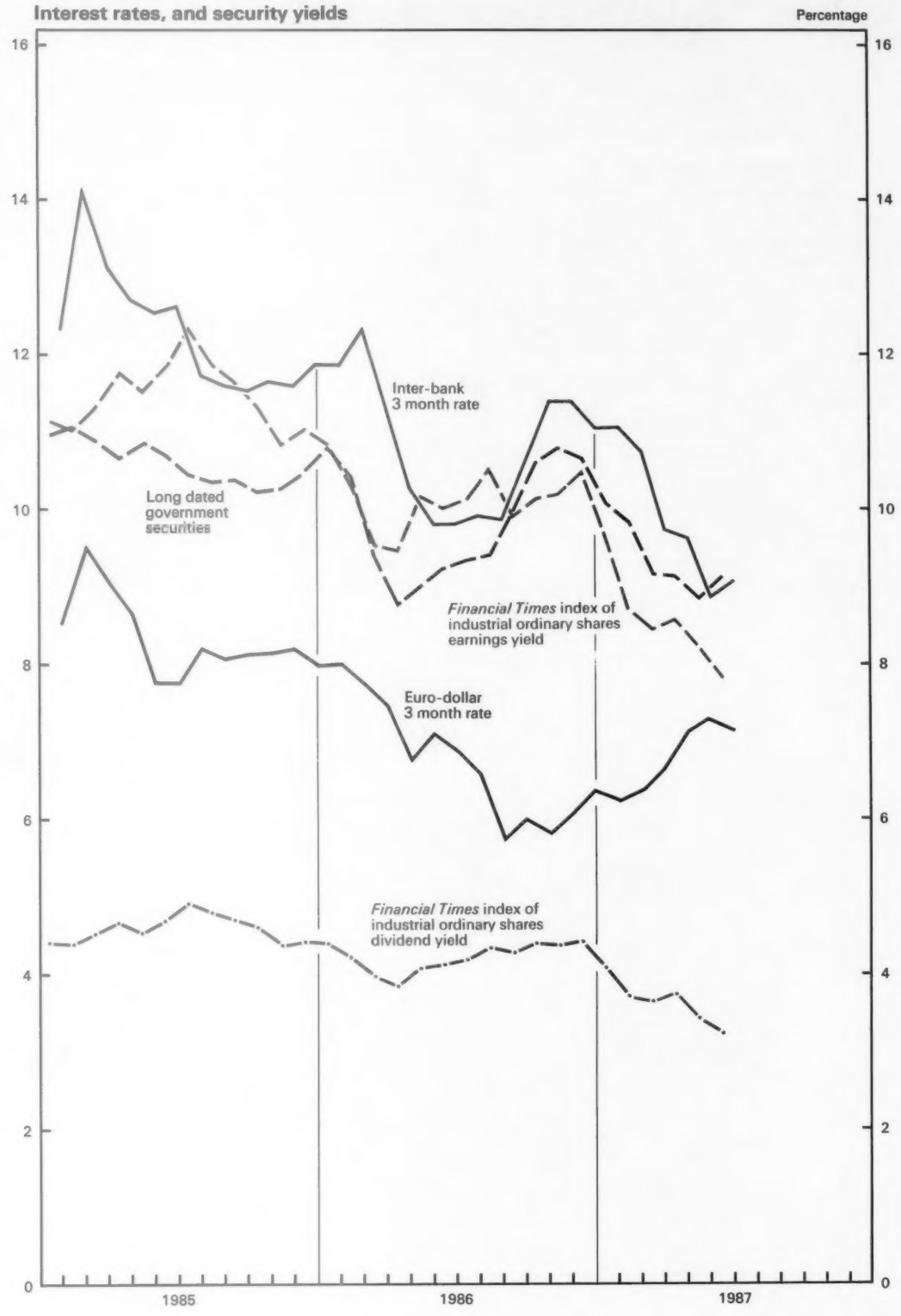


†Changes cannot be calculated for this period due to definition changes. November 1981 – February 1982 period cannot be calculated.
*See footnote [2] page 64 lower table.

Interest rates, security prices and yields

	Percentage rate											
	Last Friday						Last working day		Average of working days			
			London clearing banks							Financial Times index of industrial ordinary shares		
										1 July 1935 = 100		
	Treasury bill yield(1)	Deposits with local authorities - 3 months (2)	Base rate	Deposit account: 7 days' notice(3)	Inter-bank - 3 month rate(4)	Sterling certificates of deposit - 3 months	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares(5)	British government securities: long dated(6) - 20 years	Price index	Dividend yield	Earnings yield
1979	16.49	16.94-17.5	17	15	16.81-17.06	16.69-16.88	14.5	10.5	12.98	475.5	6.49	16.61
1980	13.58	14.63-14.88	14	11.5 -12	14.75-14.88	14.75-14.88	17.75	10.5	13.79	464.5	7.62	18.14
1981	15.39	15.5 -15.69	14.5	12.25-12.5	15.56-15.75	15.63-15.75	13.75	8.75	14.74	518.5	6.23	12.12
1982	9.96	10.63	10 -10.25	6.75- 7	10.44-10.63	10.19-10.31	9.25	6.25	12.88	574.7	5.29	10.82
1983	9.04	9.31	9	5.5	9.34- 9.41	9.25- 9.31	9.88	7.25	10.80	692.8	4.70	9.58
1984	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.69	854.9	4.66	10.76
1985	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.62	1004.6	4.61	11.48
1986	10.94	11.31	11	6.69-7.00	11-11.13	11-11.13	6.38	6	9.87	1287.1	4.25	10.16
1984 J	9.06	9.38	9	5.5	9.44- 9.5	9.31- 9.38	9.69	7.25	10.28	810.6	4.41	9.16
F	9.05	9.31	9	5.5	9.31- 9.38	9.28- 9.34	10.13	7.25	10.42	814.6	4.50	9.48
M	8.56	8.94	8.5 - 8.75	5.25- 5.5	8.94- 9	8.84- 8.91	10.75	6.25	10.23	866.4	4.34	9.43
A	8.54	8.88	8.5 - 8.75	5.25- 5.5	8.84- 8.91	8.81- 8.88	10.97	6.25	10.40	881.1	4.36	9.93
M	9.19	9.75	9 - 9.25	5.75- 6	9.69- 9.75	9.69- 9.81	11.72	6.25	10.93	870.6	4.49	10.44
J	9.06	9.5	9.25	5.75- 6	9.5 - 9.63	9.31- 9.44	12.19	6.25	11.15	824.5	4.79	11.13
J	11.69	12.13	12	8.75- 9	12.06-12.19	11.88-12	11.88	6.25	11.67	787.6	5.08	11.80
A	10.18	10.75	10.5	7.25- 7.5	10.69-10.75	10.5 -10.63	11.94	7.75	10.98	835.8	4.93	11.57
S	10.24	10.75	10.5	7.25- 7.5	10.63-10.81	10.47-10.53	11.44	7.75	10.78	859.3	4.84	11.51
O	10.13	10.5	10.5	7.25- 7.5	10.5 -10.56	10.25-10.38	10.19	7.75	10.69	865.2	4.89	11.66
N	9.26	9.75	9.5 - 9.75	6 - 6.5	9.75- 9.81	9.56- 9.69	9.19	7.75	10.32	913.2	4.67	11.23
D	9.33	10.13	9.5 - 9.75	6 - 6.5	10 -10.13	9.75- 9.88	8.62	6.75	10.46	929.6	4.62	11.73
1985 J	11.86	12.25	12	8.5 - 9	12.25-12.38	12.06-12.19	8.56	6.75	10.96	977.1	4.42	11.15
F	13.91	14.13	14	11 -11.5	14.06-14.19	13.81-13.84	9.5	7.5	11.07	979.3	4.41	11.01
M	12.75	13.13	13 -13.5	10 -10.5	13.06-13.25	13 -13.13	9.06	7.5	10.90	987.1	4.55	11.32
A	12.27	12.63	12.5 -12.75	9.36- 9.7	12.63-12.81	12.44-12.56	8.62	8.25	10.68	969.0	4.70	11.79
M	12.16	12.50	12.5 -12.75	9.36- 9.7	12.5 -12.56	12.31-12.44	7.75	8.25	10.88	1003.8	4.58	11.52
J	12.56	12.56	12.5	9.03- 9.5	12.56-12.69	12.44-12.56	7.75	8.25	10.70	980.4	4.72	11.83
J	11.63	11.88	12	8.36- 8.75	11.56-11.94	11.69-11.81	8.19	8.25	10.44	935.2	4.96	12.38
A	11.31	11.50	11.5	7.69- 8.03	11.5 -11.69	11.31-11.44	8.06	8.25	10.37	973.6	4.82	11.88
S	11.32	11.38	11.5	7.69- 8.03	11.5- 11.56	11.31-11.44	8.12	7	10.39	1002.8	4.73	11.61
O	11.45	11.50	11.5	7.69-8.03	11.56-11.69	11.38-11.50	8.13	7	10.22	1034.23	4.64	11.35
N	11.33	11.50	11.5	7.69-8.03	11.56-11.63	11.38-11.50	8.19	7	10.27	1099.30	4.40	10.87
D	11.48	11.94	11.5	7.69-8.03	11.81-11.94	11.69-11.81	7.97	7	10.45	1113.88	4.45	11.04
1986 J	12.47	12.75	12.50	8.70-9.03	11.81-11.94	12.69-12.81	8.00	7	10.80	1127.58	4.43	10.89
F	12.21	12.25	12.50	8.70-9.03	12.25-12.38	12.13-12.38	7.75	7	10.40	1220.80	4.27	10.32
M	11.04	11.25	11.50	7.50-8	11.13-11.31	11.19-11.31	7.47	7	9.39	1348.97	4.00	9.55
A	10.09	10.38	10.50	6.30-6.75	10.25-10.38	10.19-10.31	6.78	6	8.76	1391.12	3.87	9.49
M	9.56	9.75	10	6.30-6.75	9.69- 9.94	9.63- 9.75	7.09	6	9.00	1331.60	4.10	10.20
J	9.52	9.75	10	6.30-6.75	9.75- 9.88	9.66- 9.72	6.87	5.25	9.23	1332.13	4.14	10.03
J	9.76	9.88	10	5.86-6.25	9.88-10	9.75- 9.88	6.58	5.25	9.33	1309.62	4.21	10.14
A	9.56	9.81	10	5.82-6.25	9.81-9.94	9.63- 9.75	5.75	5.25	9.41	1262.13	4.37	10.56
S	9.93	9.56	10	5.82-6.25	10.5-10.69	10.44-10.56	6.00	5.25	9.97	1286.23	4.31	9.91
O	10.85	10.94	11	6.69-7.00	11.6-11.25	11-11.13	5.81	5.25	10.62	1262.33	4.42	10.16
N	10.96	11.38	11	6.69-7.00	11.38-11.44	11.19-11.25	6.06	6	10.80	1289.25	4.41	10.21
D	10.94	11.31	11	6.69-7.00	11-11.13	11-11.13	6.38	6	10.69	1283.58	4.45	10.50
1987 J	10.85	11	11	6.69-7.00	11-11.13	10.85-11.00	6.25	6	10.09	1392.63	4.12	9.68
F	10.46	10.75	11	6.69-7.00	10.69-10.81	10.69-10.75	6.38	6	9.83	1529.80	3.72	8.72
M	9.54	9.69	10	5.35-5.75	9.69-9.81	9.63-9.66	6.63	6	9.16	1596.26	3.67	8.48
A	9.38	9.63	10	5.35-5.75	9.63-9.69	9.63-9.69	7.13	6	9.12	1554.78	3.77	8.58
M	8.67	8.75	9	3.99-5.25	8.81-8.94	8.69-8.81	7.31	5.25	8.82	1674.07	3.44	8.23
J	8.95	9.06	9	3.99-5.25	9.06-9.13	8.97-9.03	7.13	5.25	9.12	1759.78	3.25	7.83

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.
2 For a minimum term of 3 months and thereafter at 7 days' notice.
3 Rate paid on deposits of less than £10 000,which was restricted to 9.5% from September 1973 to 28 February 1975.
4 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.
5 Net of income tax where this is paid by societies at the agreed composite rate.
6 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see Financial Statistics Explanatory Handbook.


Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Inter-bank
3 month rate
Long dated
government
securities
Financial Times index of
industrial ordinary shares
earnings yield
Euro-dollar
3 month rate
Financial Times index of
industrial ordinary shares
dividend yield
1985
1986
1987

Cyclical indicators for the UK economy

Recent movements of the indicators

The longer leading index is now available to June. The shorter leader and coincident indices are now available to May. The lagging index is available to April.

The longer leading index has shown a sustained increase since December 1986. Several component series are contributing to this growth although the picture is not quite as clear as previously and share prices continue to be the predominant influence. The recent rapid rise in the share price index is making it difficult to calculate an index which is not subject to large month to month revisions. The most recent values of the index may well be subject to downward revision when the missing components are incorporated.

The shorter leading index was little changed in May after having risen in the first four months of 1987. Like the longer leader, the shorter leader is being dominated by movements in a single component, in this case consumer credit. The other components are flat or declining slightly.

The coincident index continues to show little change.

The lagging index in the first four months of 1987 was noticeably above its mid-1986 level. Nearly all the components contributed to the rise. The large fall in unemployment in May will not show its full effect until the May lagging index is published.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of simpler amplitude, and inversion where appropriate.

Information included in the table below is based on monthly and quarterly data available to 15 July.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in a table on page 70.

Recent movements of the indicators

Jan 1980=100

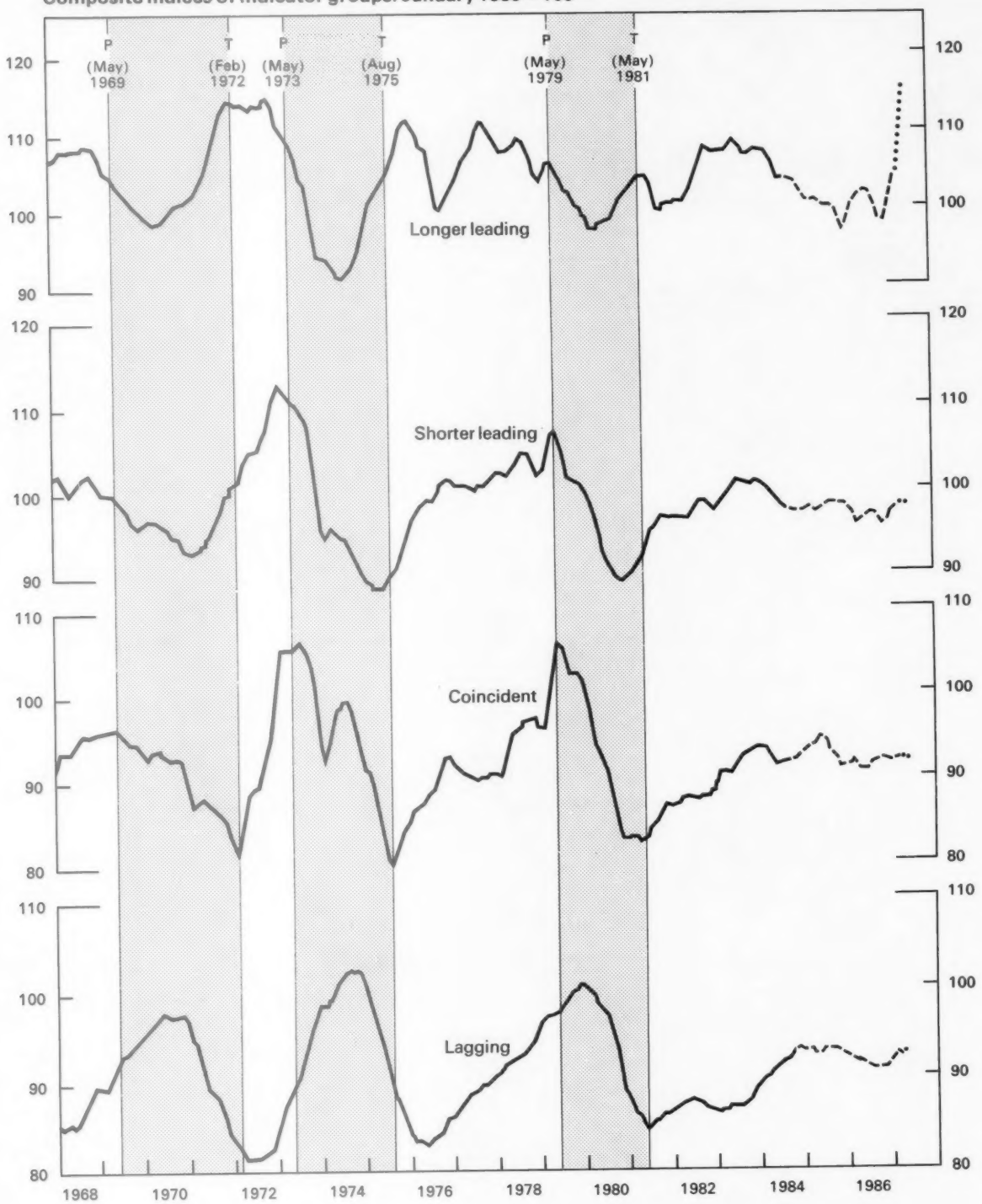
	Most recent values January 1980=100												Lead (-) or lag (+) in months relative to reference cycle dates		
	1986							1987							
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Mean	Earliest	Latest
Longer leading	102.0 5	102.2 5	101.8 5	100.9 5	99.7 5	98.4 5	98.3 5	99.9 5	102.7 5	104.1 5	104.5 4	108.8 3	115.6 2	-12	-21	-5
Shorter leading ..	96.5 5	96.8 5	97.2 5	96.9 5	96.3 5	95.8 5	96.0 5	97.0 5	97.5 5	98.0 5	98.3 4	98.2 2		-5	-12	0
Coincident	90.6 7	91.1 7	91.3 7	91.6 7	91.8 7	91.6 7	91.5 7	91.4 7	91.7 7	91.8 7	91.7 4	91.6 2		0	-7	5
Lagging	91.3 5	91.0 5	90.9 5	91.0 5	91.1 5	91.0 5	91.6 5	92.1 5	92.6 5	92.5 5	92.7 2			+10	+1	+17

1 A full explanation of the methodology used is given in *Economic Trends*, No. 267, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend- elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to- month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend- elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-270 5986.

Cyclical indicators

Composite indices of indicator groups. January 1980 = 100



The indicators: Their timing characteristics and data availability

Indicators	Latest data included	Timing relative to reference cycle dates (1) (-) leads, (+) lags months: Average (mean)	Earliest	Latest
Longer leading				
Composite longer leading index	June 1987	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills (2)	June 1987	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1987 Q1	-15	-21	- 9
Total dwellings started, Great Britain	May 1987	-10	-25	+ 6
Financial Times - Actuaries 500 share index (2,3)	June 1987	- 9	-20	- 4
CBI quarterly survey: change in optimism (2)	April 1987	-10	-19	- 4
Shorter leading				
Composite shorter leading index	May 1987	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	May 1987	- 6	-15	+ 3
New car registrations	May 1987	- 7	-26	0
CBI quarterly survey: change in new orders (2)	April 1987	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials (2)	April 1987	- 5	-15	- 2
Gross trading profits of companies, excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1987 Q1	- 6	-18	0
Roughly coincident				
Composite coincident index	May 1987	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1987 Q1	+ 1	- 9	+10
Gross domestic product (output)	1987 Q1	- 2	- 7	+ 1
Gross domestic product (income)	1987 Q1	+ 1	- 3	+ 5
Volume of retail sales	May 1987	- 3	-15	+ 6
Output of the production industries	May 1987	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	April 1987	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of materials	April 1987	- 1	- 6	+ 8
Lagging				
Composite lagging index	April 1987	+10	+ 1	+17
Component series:				
Unemployment index (3)	May 1987	+ 8	- 1	+14
Total employment in manufacturing industries United Kingdom	April 1987	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1987 Q1	+11	+ 6	+18
Engineering industries, volume index for orders on hand	March 1987	+ 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1987 Q1	+11	0	+20

1 Assessed on performance up to last identified trough, April 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

HOW TO FIND THE FIGURES

Earnings, betting and gaming, travel, population projections and estimates, retailing trade, education in schools, universities - do you know where to get the essential facts and figures?

Government Statistics - a brief guide to sources is a free booklet listing the most important, regular publications containing official statistics. It also gives departmental contact points for statistical information including addresses and telephone numbers of the enquiry points at the Central Statistical Office, the Statistics and Market Intelligence Library and the Business Statistics Office.

For the 1987 Edition write to the Information Services Division, Room 58/G, Government Offices, Great George Street, London, SW1P 3AQ, enclosing a stamped addressed envelope.

Measures of variability of selected economic series (1)

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1970 to 2nd quarter 1986	1.4	1.0	0.9	1.1	2	0.4
Income based	6	1st quarter 1970 to 2nd quarter 1986	1.2	0.7	0.9	0.8	1	0.8
Output based	6,28	1st quarter 1970 to 2nd quarter 1986	1.0	0.6	0.8	0.7	1	0.7
Average estimate	6	1st quarter 1970 to 2nd quarter 1986	1.0	0.6	0.8	0.8	1	0.8
Consumers' expenditure	8,10	1st quarter 1970 to 2nd quarter 1986	1.1	0.7	0.8	0.8	1	0.8
Fixed capital formation								
Total	8,16	1st quarter 1970 to 2nd quarter 1986	2.3	1.7	1.3	1.3	2	0.5
Manufacturing industry	18	1st quarter 1970 to 2nd quarter 1986	3.2	1.5	2.5	0.6	1	0.6
Stockbuilding(2)								
Total	8,22	1st quarter 1970 to 2nd quarter 1986	412.0	280.1	257.5	1.1	2	0.5
Manufacturing	22	1st quarter 1970 to 2nd quarter 1986	279.3	180.9	170.6	1.1	2	0.5
Exports: goods and services	8	1st quarter 1970 to 2nd quarter 1986	2.9	2.3	1.6	1.4	2	0.6
Imports: goods and services	8	1st quarter 1970 to 2nd quarter 1986	3.1	2.3	2.1	1.1	2	0.4
Real personal disposable income	10	1st quarter 1970 to 2nd quarter 1986	1.7	1.4	1.1	1.2	2	0.3
Other national income series								
Gross trading profits of industrial and commercial companies	60	1st quarter 1970 to 2nd quarter 1986	6.4	3.2	4.7	0.7	1	0.7
Other quarterly series								
Construction output(3)	30	1st quarter 1970 to 2nd quarter 1986	2.0	1.4	1.3	1.1	2	0.4
Public sector borrowing requirement(4)	56	1st quarter 1970 to 2nd quarter 1986	787.6	586.2	378.8	1.5	2	0.7
Personal saving ratio(6)	10	1st quarter 1970 to 2nd quarter 1986	1.5	1.3	0.7	2.0	2	0.6
Monthly series								
Retail sales								
Food retailers	12	January 1971 to February 1987	0.9	0.8	0.3	3.0	4	0.8
Mixed retail businesses	12	January 1971 to February 1987	2.0	1.8	0.5	3.7	4	1.0
Clothing and footwear retailers	12	January 1971 to February 1987	2.5	2.4	0.6	4.1	4	1.0
Household goods retailers	12	January 1971 to February 1987	2.6	2.4	0.8	3.1	4	0.9
Other non-food retailers	12	January 1971 to February 1987	1.4	1.3	0.4	3.4	4	0.9
Cars: new registrations	12	January 1975 to December 1986	8.6	8.5	0.8	10.3	6	
Housing: public authorities(6)								
Starts	20	January 1956 to December 1985	12.8	12.5	2.0	6.3	6	1.1
Completions	20	January 1956 to December 1985	8.5	8.4	1.4	6.2	6	1.1
Housing: private								
Starts	20	January 1956 to December 1985	9.6	9.4	1.8	5.2	6	1.0
Completions	20	January 1956 to December 1985	6.2	6.2	0.9	6.6	6	1.1
Index of industrial production:								
Production industries(Revised definition)	5,26,28	January 1973 to October 1986	1.2	1.0	0.5	2.3	3	1.0
Manufacturing industries(Revised definition)	26,28	January 1973 to October 1986	1.3	1.2	0.4	2.7	4	0.8
Passenger car production:								
Home market	32	January 1976 to December 1986	12.2	12.0	1.8	6.8	6	1.4
Export	32	January 1976 to December 1986	15.2	14.6	2.8	5.7	6	1.1
Commercial vehicle production:								
Home market	32	January 1976 to December 1986	10.9	9.7	3.1	3.1	4	0.9
Export	32	January 1976 to December 1986	10.1	9.3	2.7	3.4	5	0.8
Unemployed males - excluding school-leavers(7)	(5,36)	January 1971 to October 1986	15.5	4.5	14.4	0.3	1	0.3
Unemployed females - excluding school-leavers(7)	(5,36)	January 1971 to October 1986	6.0	1.7	5.6	0.3	1	0.3
Vacancies unfilled at jobcentres (7)	(5,36)	April 1978 to September 1986	4.2	1.8	3.5	0.5	1	0.5
Average earnings: whole economy	40	January 1976 to December 1982	1.0	0.3	1.0	0.3	1	0.3
Exports: value, f.o.b.(8)	48	January 1970 to September 1985	4.6	4.3	1.5	2.9	3	0.9
Imports: value, f.o.b.(8)	48	January 1970 to September 1985	4.8	4.4	1.8	2.5	3	0.8
Money stock - £M3(9)	5,52	January 1980 to March 1985	1.2	0.8	1.1	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in Economic Trends, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes (2,4,6 and 8).
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters)for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are on average, greater than the irregular movement.
2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.
3 Series relates to Great Britain.
4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.
5 The figures in the table were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.
6 Series relate to Great Britain, though variability measures calculated from England and Wales component.
7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of Employment Gazette.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.
8 The figures have been updated as described in an article in Economic Trends, No 320, June 1980.
9 Although £M3 flows are seasonally adjusted additively, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for levels are presented as percentages of the level of the trend in the preceding month.

NATIONAL INCOME AND EXPENDITURE IN THE FIRST QUARTER 1987

Gross domestic product at current and constant prices

Provisional seasonally adjusted estimates of gross domestic product (GDP) at constant factor cost for the first quarter of 1987 suggest that the level of economic activity was some 1 to 1½ per cent higher than in the fourth quarter of 1986.

The first quarter estimate for the average measure of GDP at constant factor cost, GDP(A), was around 3½ per cent higher than in the corresponding quarter of 1986. (First estimates of growth rates are liable to be revised in the light of further information. See the Notes for guidance on the likely range of revisions.)

Provisional estimates for the three alternative measures of GDP at constant factor cost (based on expenditure, income and output) show differing profiles over the last year. The output-based measure, GDP(O), is usually considered the most reliable indicator of change in the short term; this indicates growth of 1 per cent between the fourth quarter of 1986 and the first quarter of 1987, slightly higher than the previous quarterly rise. Between the first quarters of 1986 and 1987, GDP(O) rose by some 4 per cent.

This article presents quarterly estimates of national income, expenditure and output to the first quarter of 1987. Estimates of the components of GDP at constant prices are given here in terms of average 1980 prices. Provisional summary measures of GDP were first issued on 22 June 1987; this article incorporates later data than were available at that time. A general description of national income statistics, together with details of sources, methods and definitions used, is given in United Kingdom National Accounts: Sources and Methods (HMSO 1985). Subsequent changes are described in the notes to the 1986 Blue Book. All commentary is in terms of seasonally adjusted data.

The average measure of GDP at current market prices ('money GDP') rose by 1½ per cent between the fourth quarter of 1986 and the first quarter of 1987 to a level about 7 per cent higher than in the first quarter of 1986.

The real income of the United Kingdom, as shown by gross national disposable income at constant market prices, increased by 2 per cent between the first quarters of 1986 and 1987.

TABLE A NATIONAL ACCOUNTS AGGREGATES

Index numbers: Seasonally Adjusted [1] 1980 = 100

		Gross domestic product							Gross national disposable income at 1980 market prices	Implied gross domestic product deflator	
		At current market prices	At current factor cost		At constant factor cost 1980 prices					At factor cost	At market prices
		Average estimate	Based on expenditure data	Based on income data	Average estimate	Based on expenditure data	Based on income data [2]	Based on output data	Average estimate	Based on expenditure data [3]	Based on expenditure data
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		110.0	109.3	108.9	98.8	99.1	98.8	98.4	99.5	110.2	111.5
1982		120.2	117.9	118.9	100.3	99.9	100.8	100.0	101.0	118.0	120.1
1983		130.6	129.2†	129.9	103.7	103.7	104.2	103.1	104.9†	124.6	126.1†
1984		139.9	137.7	140.5	106.6	105.6†	107.7	106.5†	107.9	130.4	131.3
1985		153.5†	151.3	153.5	110.3†	109.5	111.1†	110.4	111.4	138.2†	139.2
1986		163.6	159.3	162.4†	113.4	112.2	114.4	113.6	114.4	142.0	144.1
1984	1	136.9†	135.3†	136.8†	106.0†	105.6†	106.8†	105.7†	107.4†	128.1†	129.2†
	2	137.8	135.5	138.0	105.6	104.4	106.4	105.9	106.6	129.7	130.4
	3	140.7	137.7	142.0	106.9	105.3	108.6	106.7	107.7	130.7	131.8
	4	144.4	142.4	145.2	108.0	107.1	109.2	107.7	109.9	133.0	133.7
1985	1	148.0	147.2	148.1	109.3	109.1	109.7	109.2	109.4	135.0	135.4
	2	152.6	150.2	153.0	110.6	109.6	111.7	110.6	111.5	137.0	138.2
	3	154.9	152.0	154.9	110.5	109.4	111.6	110.5	112.6	138.9	140.0
	4	158.6	155.8	157.9	110.8	109.8	111.3	111.3	112.1	141.9	143.2
1986	1	159.8	157.9	159.3	112.5	112.4	113.4	111.7	114.2	140.5	142.3
	2	161.7	157.4	160.5	112.8	111.6	113.8	112.9	113.4	141.0	143.1
	3	165.0	159.1	163.8	113.6	111.6	114.9	114.4	114.7	142.5	144.8
	4	168.1	163.0	166.1	114.7	113.3	115.5	115.3	115.2	143.8	146.2
1987	1	170.7	167.1	169.7	116.2	115.3	117.0	116.4	116.3	145.0	146.7
		Percentage change, latest quarter on previous quarter [4]									
1987	1	1.5†	2.5†	2.1†	1.3†	1.7†	1.3†	0.9†	0.9†	0.8†	0.4
		Percentage change, latest quarter on corresponding quarter of previous year [4]									
1987	1	6.8†	5.8†	6.5†	3.3†	2.6†	3.2†	4.2†	1.9†	3.2†	3.1†

1 These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
3 Also known as the index of total home costs.
4 These estimates of change are based in some cases on less rounded figures than in the table. Nevertheless, they cannot be regarded as any more accurate than is implied by the general statements made in the text, where figures are given in rounded form.

The implied factor cost GDP deflator ('index of total home costs') increased by 3 per cent over the year to the first quarter of 1987.

Estimates of GDP at current and constant prices, of real national disposable income and of the implied GDP deflators are given in index number form in Table A.

Expenditure at current and constant 1980 prices (Table 1)

At current prices, the expenditure measure of gross domestic product at factor cost, GDP(E), rose by 2½ per cent in the first quarter of 1987 to a level about 6 per cent higher than a year earlier.

At constant 1980 prices the provisional figures suggest a rise in GDP(E) of around 1½ per cent between the fourth quarter of 1986 and the first quarter of 1987, and an increase of 2½ per cent compared with the first quarter of 1986.

At constant prices, consumers' expenditure increased by under ½ per cent in the first quarter of 1987; its level was 3½ per cent higher compared with that of a year earlier. Further details are given below. General government final expenditure was at much the same level in the first quarter of 1987 as in the previous quarter; compared with the first quarter of 1986 it was 1 per cent higher.

Quarterly movements of fixed investment have been irregular. Fixed investment in the first quarter of 1987 was a little below that of the fourth quarter of 1986 and nearly 2 per cent below that of the first quarter of 1986, when increased investment occurred ahead of the phased reduction in first year capital allowances which took place in April 1986.

Stocks rose £300 million in the first quarter of 1987, slightly less than in the previous quarter. The recovery in the balance of overseas trade in goods and services seen in the fourth quarter of 1986 accelerated sharply in the first quarter of 1987; between the two quarters, exports fell by only ½ per cent whilst imports fell by 6 per cent.

Income at current prices (Table 2)

At current prices, the income measure of gross domestic product at factor cost, GDP(I), shows a growth of 6½ per cent between the first quarters of 1986 and 1987. Income from employment in the first quarter increased by 7½ per cent compared with the first quarter of 1986. The gross trading surplus of public corporations in the first quarter was significantly lower than in the same quarter of 1986 but this comparison was affected by the privatisation of British Gas with effect from 3 December 1986 and of British Airways from 6 February 1987. There was a corresponding effect in the first quarter on company profits. Before deduction of stock appreciation, the latest estimates indicate a further growth in profits since the fourth quarter of 1986, following some recovery in the third and fourth quarters from their low level in the first half of the year. These movements reflect the effect of changes in the sterling price of oil. In the first quarter of 1987 they stood significantly higher than their level in the first quarter of 1986.

When deflated by the implied index of total home costs GDP(I) rose by around 1½ per cent between the fourth quarter of 1986 and the first quarter of 1987 and by 3 per cent between the first quarters of 1986 and 1987.

Output at constant 1980 prices (Table 3)

The output measure of gross domestic product, GDP(0), rose by 1 per cent between the fourth quarter of 1986 and the first quarter of 1987. In the first quarter, GDP(0) stood some 4 per cent above its level of a year earlier.

Manufacturing output was little changed between the fourth quarter of 1986 and the first quarter of 1987 (although it was nearly 4½ per cent higher than a year earlier) but output of the energy sector rose by about 4½ per cent. Output of the construction industry increased by about 5 per cent.

Overall output of the service sector grew by less than ½ per cent over the same period; in particular distribution showed little change and output of the transport and communication grouping fell slightly. Service sector output rose by about 4½ per cent between the first quarters of 1986 and 1987.

Personal income and saving (Table 4)

Real personal disposable income (RPDI) increased by 2 per cent between the fourth quarter of 1986 and the first quarter of 1987 to reach a level which was 5 per cent higher than the first quarter of 1986. Percentage changes in the components of personal income are shown in Table B.

Total personal income, before deductions, rose by around 3 per cent between the fourth quarter of 1986 and the first quarter of 1987. Within the total, wages and salaries rose by 1½ per cent between the latest two quarters. The increase in total personal income reflects strong growth in other types of personal income, in particular, receipts of dividends and interest.

Personal disposable income increased by 3 per cent between the fourth quarter of 1986 and the first quarter of 1987. Prices, as measured by the consumers' expenditure deflator, rose by 1 per cent in the same period and, as a result, RPDI increased by 2 per cent.

Between the fourth quarter of 1986 and the first quarter of 1987 consumers' expenditure increased by less than personal disposable income and the saving ratio rose to around 12 per cent.

Consumers' expenditure (Table 5)

At current prices, consumers' expenditure grew by nearly 1½ per cent between the fourth quarter of 1986 and the first quarter of 1987, following some hesitation in the previous quarter, to reach a level 6½ per cent above that in the first quarter of 1986.

The rise of under ½ per cent in consumers' expenditure at constant prices since the fourth quarter of 1986 took spending to a level 3½ per cent above the first quarter of 1986. In the latest quarter, expenditure on most categories of retail goods fell but that on vehicles and energy increased.

Within the total, expenditure on durable goods showed a 9 per cent growth between the first quarters of 1986 and 1987, rising in all the main categories: spending on vehicles grew 10 per cent, on furniture and floor coverings it increased by 5 per cent, and on other durables it showed a strong rise of 12 per cent. Spending on food fell by nearly 1 per cent between the first quarters of 1986 and 1987; there was little change in spending on alcoholic drink over this period and spending on tobacco continued to decline. Among other goods, spending on clothing and footwear rose 4 per cent between the first quarters of 1986 and 1987, on energy products expenditure was unchanged and on total services spending rose by 4 per cent.

TABLE B

CHANGES IN PERSONAL INCOME

Seasonally adjusted

	Percentage change				
	Over previous quarter				Over same quarter in previous year
	1986 Q2	1986 Q3	1986 Q4	1987 Q1	1987 Q1
Total personal income	2	1 ½	1 ½	3	8
of which: Wages, salaries and forces' pay	2 ½	1 ½	2 ½	1 ½	8
Employers' contributions	1	½	1	½	3 ½
Current grants from general government	4	1 ½	1	1	7 ½
Other income	½	3	−2	9	10 ½
UK taxes on income	− ½	5	2 ½	3	10 ½
Social security contributions	3 ½	1 ½	1 ½	1	7 ½
Total personal disposable income	2 ½	1	1	3	8
Real personal disposable income	2	0	½	2	5

Industrial and commercial companies (Table 7)

Provisional estimates suggest that, after deducting stock appreciation, profits of industrial and commercial companies rose between the fourth quarter of 1986 and the first quarter of 1987.

Between the latest two quarters, gross trading profits (net of stock appreciation) of North Sea oil companies rose by 25 per cent. This was the second successive quarterly rise in these profits, reflecting increases in the sterling price of oil. However North Sea oil companies' profits in the latest quarter were still only around half of the level of their peak two years earlier.

The gross trading profits (net of stock appreciation) of non-North Sea industrial and commercial companies were above their level of the fourth quarter of 1986 and over one-tenth higher than in the corresponding quarter of 1986. However, this comparison is distorted by British Gas and British Airways which are included in the industrial and commercial companies figures only since their privatisation on 3 December 1986 and 6 February 1987 respectively.

Payments of dividends on ordinary shares rose very strongly in the first quarter of 1987. In the latest quarter these payments were 70 per cent higher than in the previous quarter. Between the same two quarters there was a substantial (11 per cent) fall in payments of UK taxes on income. This drop was largely accounted for by the reduction in payments of petroleum revenue tax by North Sea oil companies (net of refunds of advance petroleum revenue tax).

These preliminary estimates suggest that the broad measure of undistributed income of UK industrial and commercial companies (that is, before providing for depreciation, stock appreciation or additions to reserves) was slightly higher in the first quarter of 1987 than in the previous quarter.

Public corporations (Table 9)

The comparison of the gross trading surplus (net of stock appreciation) of public corporations between the fourth quarter of 1986 and the first quarter of 1987 is also affected by the privatisation of British Gas and British Airways.

Central government (Table 10)

Total central government current receipts rose by 5 per cent, or over £1½ billion between the first quarters of 1986 and 1987. Most of this rise was accounted for by increases in taxes on income (up by 2 per cent over the period), taxes on expenditure and National Insurance contributions (both up by nearly 8 per cent).

Total current expenditure rose by over 9 per cent or some £3 billion between the first quarters of 1986 and 1987. There were increases in all main categories, most notably in debt interest (up 13 per cent), national insurance benefits (up 8 per cent) and final consumption (up 5 per cent). There was also a substantial increase over the period in current grants paid abroad but this reflected their exceptionally low level in the first quarter of 1986 which occurred because of a temporary fall in the balance of European community contributions.

Total current receipts were 3½ per cent higher in 1986/87 than in the previous financial year whilst expenditure increased by 6 per cent.

Local authorities (Table 11)

Total current receipts by local authorities increased by £3½ billion (9 per cent) between 1985/6 and 1986/7. About half of this was attributable to the increase in rate income (up 13 per cent) and most of the remainder to an increase in current grants from central government (up 8 per cent).

Total current expenditure rose by over £2½ billion (7 per cent) between 1985/6 and 1986/7. The rise was more than accounted for by the increase in final consumption of £2¾ billion (10 per cent). There was also a rise in current grants to the personal sector (up 5 per cent) but a fall in expenditure on debt interest (down 8 per cent). Expenditure on subsidies was little changed.

Gross domestic fixed capital formation at 1980 prices (Tables 14 & 15)

Total fixed investment in the first quarter of 1987 was £11.7 billion. Comparison with the first quarter of 1986 is affected by the increased investment that occurred ahead of the phased reduction in first year capital allowances which took place in April 1986. However, compared with the average rate during 1986, the level of investment in the first quarter of 1987 was about the same.

Comparisons of fixed investment in the first quarter of 1987 by private and public corporations sectors with earlier periods are affected by the privatisation of British Gas and British Airways. Fixed investment by these sectors taken together was about 1 per cent higher in the first quarter of 1987 than the average rate during 1986. However, fixed investment by general government was 10 per cent lower than the average quarterly rate in the previous year. Compared with the average quarterly rate during 1986 fixed investment in the first quarter of 1987 in dwellings rose 4 per cent and in other new buildings and works by 2 per cent whereas fixed investment in plant and machinery declined 2 per cent and in vehicles, ships and aircraft by 13 per cent.

Analysed by industry and comparing the first quarter of 1987 with the average for 1986, Table 15 shows a significant reduction in fixed investment by the oil and natural gas extraction industry (down 12 per cent) and by the transport and communication industries (down 11 per cent). Other industries show only small changes.

Value of physical increase in stocks and work in progress at 1980 prices (Table 16)

Stocks increased by just over £300 million in the first quarter of 1987 with about two thirds of this increase in manufacturing and one third in the distributive trades.

NOTES

GDP estimates

1. Although estimates of gross domestic product (GDP) based on expenditure, income and output should in principle give the same result, in practice there are often variations between them. The output measure is usually the best indicator of quarter to quarter movements; for comparisons over periods of more than a year the average of the three measures is preferred. Investigations continue into the discrepancies between growth in the three measures. The problems of consistency, particularly in terms of timing, between the different types of administrative and statistical records used in compilation have an important bearing on reconciliation of the largely independent estimates of GDP.

Caution in interpretation

2. In the interpretation of quarterly and annual national accounts estimates, special attention needs to be paid to the higher margins of error attaching to series estimated at constant prices when the rate of inflation is changing significantly. Rapidly changing exchange rates may also affect the valuation of international transactions and the measurement of profits derived from them.

Appendix tables

3. The tables in the Appendix give series of quarterly figures back to 1984. Where an obelus appears this indicates that the data are new or have been revised with the period so marked the earliest to have been revised. If the obelus appears against the first figure in a column, this implies that earlier data may also have been revised. Such earlier data can be obtained from the CSO Databank, which contains all of the series given in the Appendix tables.

TABLE C

	Percentage changes (at annual rate)(1)	
	Change between the fourth quarters of 1986 and 1987	Range based on past experience
Constant prices		
GDP - average measure at constant factor cost	3¼	3-5
Current prices		
GDP - average measure at current market prices (2)	6¾	7¼-9¼

(1) Figures for growth rates based on individual quarters vary from quarter to quarter and do not represent the underlying rate of growth.

(2) The range shown is based on the analysis of revisions applicable to GDP at current factor cost. It is unlikely that the revisions performance of GDP at current market prices differed significantly from that at factor cost.

The CSO Databank

4. The data in these tables can be obtained in computer readable form via the CSO Databank service which provides macro-economic time series data on magnetic tape. Each series on the Databank is allocated a four letter identifier which appears in the Appendix tables at the head of each column of data. The Databank enables users, host bureaux and end users, to have a longer run of the data than can be included in the tables. In addition, the latest figures are available via Databank some weeks before they appear in Economic Trends.

Details of the service offered and the Schedule of charges may be obtained from the Databank Manager, CSO Branch 9, Room 52A/4, Government Offices, Great George Street, London SW1P 3AQ (Telephone: 01-270-6386 or 6387). CSO does not offer direct on-line access for these data, but a list of host bureaux offering such a facility is available on request from CSO.

Revisions

5. Estimates of GDP are subject to revision as more information becomes available. Early estimates are particularlyuncertain. An analysis of revisions experience, published in the July 1985 issue of Economic Trends showed that revisions to growth rates of GDP data published for 1971 to 1979 were, on balance, upwards though not uniformly so.

If past revisions experience were to continue - and this is by no means certain since compilation methods are regularly reviewed and modified as necessary - the analysis suggests a range within which the eventually revised value of the growth rate is likely to lie. The table below shows the first estimates of the growth rates of current and constant price GDP (average measure), together with the ranges within which the revised value might be expected to lie on two thirds of occasions some five years after the first publication, that is, if future revisions are similar to the past.

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*The tables show annual figures from 1980 and quarterly figures from 1984.

APPENDIX

Expenditure on the gross domestic product

TABLE 1

£ million

	Gross domestic product		Final expenditure on goods and services at market prices						Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Taxes on expenditure	Subsidies
					General government consumption			Gross domestic fixed capital formation					
	At market prices[1]	At factor cost[2]	Total	Consumers' expenditure	Total	Central government	Local authorities						
At current prices													
	DJAF	DJAE	DJAK	AIIK	AAXI	ACHC	CSBA	DFDC	DHBF	DJAD	DJAG	AAXC	AAXJ
1980	230 420†	199 697†	288 288†	137 234	49 027†	29 993	19 034†	41 774	-2 844	63 097	57 868	36 441	5 718
1981	254 307	218 222	314 982	152 847	55 429	33 849	21 580	41 617†	-2 766†	67 855†	60 675	42 501†	6 416
1982	276 183	235 409	344 305	167 381†	60 538	37 087†	23 451	44 619	-1 290	73 057	68 122	46 636	5 862
1983	300 830	258 026	378 410	182 598	65 990	40 717	25 273	48 780	646	80 396	77 580	49 137	6 333
1984	319 777	275 020	412 222	195 341	69 792	43 131	26 661	55 560	-359	91 888	92 445	52 480	7 723
1985	351 423	302 154	450 203	213 168	74 291	46 107	28 184	60 054	383	102 307	98 780†	56 935	7 666†
1986	373 703	318 217	474 452	232 013	79 555	48 609	30 946	64 353	653	97 878	100 749	62 206	6 720
Unadjusted													
1984 1	77 254†	66 577†	98 364†	45 853†	17 080†	10 554†	6 526†	13 659†	171†	21 601†	21 110	12 741	2 064
2	76 526	65 722	99 337	47 730	17 097	10 463	6 634	12 699	-143	21 954	22 811	12 627†	1 823
3	80 427	69 053	103 891	49 170	17 583	11 019	6 564	13 960	270	22 908	23 464	13 231	1 857
4	85 570	73 668	110 630	52 588	18 032	11 095	6 937	15 242	-657	25 425	25 060	13 881	1 979
1985 1	83 628	72 561	109 628	49 883	18 578	11 520	7 058	15 911	-177	25 433	26 000†	13 494	2 427
2	85 052	73 120	110 271	51 343	18 399	11 423	6 976	13 270	1 070	26 189	25 219	13 701	1 769†
3	88 905	76 221	112 707	54 241	18 373	11 480	6 893	14 791	416	24 886	23 802	14 435	1 751
4	93 838	80 252	117 597	57 701	18 941	11 684	7 257	16 082	-926	25 799	23 759	15 305	1 719
1986 1	90 476	77 930	114 043	54 376	19 612	12 064	7 548	16 449	405	23 201	23 567	14 386	1 840
2	89 905	76 531	115 074	56 250	19 693	12 024	7 669	14 537	196	24 398	25 169	14 998	1 624
3	93 767	79 433	119 422	59 410	19 809	12 113	7 696	16 118	151	23 934	25 655	15 964	1 630
4	99 555	84 323	125 913	61 977	20 441	12 408	8 033	17 249	-99	26 345	26 358	16 858	1 626
1987 1	95 940	82 348	121 488	57 867	20 683	12 619	8 064	16 912	525	25 501	25 548	15 674	2 082
Seasonally adjusted													
	DJBB	DJBA	DIAB	AIIX	AAXV	ACHP	CSBK	DECR	DGAQ	DJAZ	DJBC	AAXP	AAXW
1984 1	78 583†	67 570†	99 512†	47 505†	16 907†	10 424†	6 483†	13 184†	16†	21 900†	20 929	12 893	1 880
2	78 614	67 638	101 132	48 705	17 183	10 543	6 640	13 667	-535	22 112	22 518	12 924†	1 948
3	80 035	68 724	103 585	48 894	17 673	11 049	6 624	14 240	-207	22 985	23 550	13 211	1 900
4	82 545	71 088	107 993	50 237	18 029	11 115	6 914	14 469	367	24 891	25 448	13 452	1 995
1985 1	85 063	73 502	111 088	51 685	18 359	11 346	7 013	15 407	-365	26 002	26 025†	13 784	2 223
2	87 217	74 994	112 187	52 375	18 503	11 521	6 982	14 316	672	26 321	24 970	14 126	1 903†
3	88 480	75 867	112 226	54 002	18 482	11 528	6 954	15 078	-40	24 704	23 746	14 414	1 801
4	90 663	77 791	114 702	55 106	18 947	11 712	7 235	15 253	116	25 280	24 039	14 611	1 739
1986 1	91 950	78 827	116 163	56 398	19 386	11 888	7 498	15 899	279	24 203	24 213	14 758	1 635
2	92 305	78 601	116 589	57 450	19 799	12 123	7 676	15 701	-303	23 942	24 284	15 463	1 759
3	93 595	79 408	118 971	58 928	19 924	12 162	7 762	16 353	-151	23 917	25 376	15 867	1 680
4	95 853	81 381	122 729	59 239	20 446	12 436	8 010	16 400	828	25 816	26 876	16 118	1 646
1987 1	97 595	83 417	123 339	60 029	20 454	12 440	8 014	16 427	410	26 019	25 744	16 055	1 877

1 Equals total final expenditure on goods and services at market prices less imports of goods and services.
2 Equals gross domestic product at market prices less taxes on expenditure plus subsidies. Estimates of the gross domestic product at constant factor cost based on statistics of output are given in Table 3.
3 This represents taxes on expenditure less subsidies valued at constant rates.

Expenditure on the gross domestic product

TABLE 1 (continued)

£ million

	Gross domestic product		Final expenditure on goods and services at market prices									
					General government consumption							
	At market prices[1]	At factor cost[2]	Total	Consumers' expenditure	Total	Central government	Local authorities	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Exports of goods and services	Imports of goods and services	Adjustment to factor cost[2]
Revalued at 1980 prices	DJCX	DJCW	DJDA	CCBH	DJCZ	DJDK	DJDL	DFDM	DHBK	DJCV	DJCY	DJCU
1980	230 420†	199 697†	286 286†	137 234	49 027†	29 993	19 034†	41 774	-2 844	63 097	57 868	30 723
1981	228 050	197 952	284 451	137 211†	49 127	30 241†	18 886	37 821†	-2 439†	62 731†	56 401†	30 098
1982	229 984	199 561	289 468	138 277	49 626	30 553	19 073	39 377	-1 084	63 272	59 484	30 423
1983	238 479	207 025	301 252	143 603	50 588	31 117	19 471	41 712	680	64 669	62 773	31 454
1984	243 573	210 929	312 131	146 657	50 909	31 343	19 566	45 472	-36	69 129	68 558	32 644
1985	252 431	218 640	323 117	151 986	51 129	31 533	19 596	46 331	503	73 168	70 686	33 791†
1986	259 323	224 120	334 089	159 715	51 538	31 547	19 991	46 871	635	75 330	74 766	35 203
Unadjusted												
1984 1	59 824†	51 764†	76 125†	34 998†	12 794†	7 876†	4 918†	11 451†	225†	16 657†	16 301	8 060
2	58 344	50 493	75 580	35 786	12 634	7 750	4 884	10 547	-100	16 713	17 236†	7 851
3	60 956	52 806	76 147	36 719	12 713	7 835	4 878	11 305	179	17 231	17 191	8 150
4	64 449	55 866	82 279	39 154	12 768	7 882	4 886	12 169	-340	18 528	17 830	8 583
1985 1	61 738	53 469	79 389	36 100	12 956	8 081	4 875	12 598	-34	17 769	17 651	8 269†
2	61 185	53 236	78 884	36 580	12 709	7 785	4 924	10 311	820	18 464	17 699	7 949
3	63 427	54 838	80 960	38 489	12 657	7 815	4 842	11 336	376	18 102	17 533	8 589
4	66 081	57 097	83 884	40 817	12 807	7 852	4 955	12 086	-659	18 833	17 803	8 984
1986 1	63 415	55 001	80 646	37 622	12 941	7 978	4 963	12 351	472	17 260	17 231	8 414
2	62 348	54 044	81 188	38 655	12 764	7 861	4 903	10 595	178	18 996	18 840	8 304
3	64 811	55 862	84 093	40 651	12 897	7 821	5 076	11 608	110	18 827	19 282	8 949
4	68 749	59 213	86 162	42 787	12 936	7 887	5 049	12 317	-125	20 247	19 413	9 536
1987 1	65 187	56 298	83 613	38 974	13 080	7 937	5 143	12 089	214	19 256	18 446	8 869
Seasonally adjusted	DJDI	DJDH	DIAU	CAAB	DIAT	DIAV	DIAW	DECU	DGBA	DJDG	DJDJ	DIAS
1984 1	60 816†	52 741†	76 977†	36 267†	12 630†	7 745†	4 885†	11 002†	207†	16 871†	16 161	8 075
2	60 294	52 135	77 286	36 787	12 736	7 848	4 888	11 376	-419	16 806	16 992	8 159
3	60 711	52 593	77 998	36 535	12 788	7 865	4 923	11 541	-167	17 296	17 282	8 118
4	61 752	53 460	79 875	37 068	12 755	7 885	4 870	11 553	343	18 156	18 123	8 292
1985 1	62 813	54 450	80 497	37 454	12 771	7 928	4 843	12 119	-44	18 197	17 684†	8 363†
2	63 111	54 734	80 610	37 603	12 821	7 892	4 929	11 171	493	18 522	17 499	8 377
3	63 197	54 638	80 883	38 303	12 739	7 854	4 885	11 567	89	17 995	17 496	8 559
4	63 310	54 816	81 317	38 626	12 798	7 859	4 939	11 474	-35	18 454	18 007	8 492
1986 1	64 621	56 098	82 331	39 128	12 762	7 831	4 931	11 880	518	18 043	17 710	8 523
2	64 484	55 731	82 642	39 811	12 874	7 966	4 908	11 486	-180	18 651	18 158	8 753
3	64 646	55 712	83 817	40 396	12 977	7 858	5 119	11 796	-168	18 816	19 171	8 934
4	65 572	56 579	85 299	40 380	12 925	7 892	5 033	11 709	465	19 820	19 727	8 993
1987 1	66 517	57 543	85 084	40 513	12 904	7 793	5 111	11 666	326	19 675	18 567	8 974

See footnotes on opposite page.

Factor incomes in the gross national product

TABLE 2

£ million

		Gross national product (expenditure-based)		Net property income from abroad	Residual error	Gross domestic product (income-based)	Factor incomes						less: Stock appreciation
		At market prices	At factor cost				Total domestic income[1]	Income from employment[2]	Gross trading profits of companies[1,3,4]	Gross trading surplus of public corporations[1,4]	Gross trading surplus of general government enterprises[1]	Other income[5]	
		DJAN	DJAM	CGOA	DJAS	DJAL	DJAU	DJAO	CIAC	ADRD	DJAQ	DJAP	DJAT
1980		230 198†	199 475†	-222	737†	198 950	205 686	137 352	28 240	6 162	171	33 761	-6 726
1981		255 256	219 171	949	1 484	216 738†	222 761†	148 180	28 654	7 821	215†	37 891	-6 023†
1982		277 254	236 480	1 071†	-1 142	236 551	240 880	158 426	31 791	9 389	186	41 088	-4 329
1983		303 411	260 607	2 581	-398	258 424	263 530	170 058	35 017	9 845	42	44 465	-5 106
1984		324 196	279 439	4 419	-4 469	279 489	284 873	180 395	47 048	8 336	-75	49 169	-5 384
1985		354 816	305 547	3 393	-3 208	305 362	308 653	195 557†	52 102†	7 106	270	53 618†	-3 291
1986		378 779	323 293	5 076	-4 959	323 176	325 457	210 839	47 596	8 277†	153	58 592	-2 281
Unadjusted													
1984	1	78 071†	67 394†	817†	-1 054	67 631†	69 180†	43 637	10 860	2 855	-7†	11 835	-1 549†
	2	77 438	66 634	912	-2 153†	67 875	69 311	44 464	10 816	1 912	-21	12 140	-1 436
	3	81 724	70 350	1 297	-999	70 052	70 934	45 383	11 650	1 458	2	12 441	-882
	4	86 963	75 061	1 393	-263	73 931	75 448	46 911	13 722	2 111	-49	12 753	-1 517
1985	1	84 650	73 583	1 022	-636	73 197	75 188	46 960†	13 542†	1 503	163	13 020†	-1 991
	2	85 908	73 976	856	-2 106	75 226	75 619	48 375	12 332	1 671	-12	13 253	-393
	3	90 114	77 430	1 209	-299	76 520	76 915	49 667	12 156	1 559	44	13 489	-395
	4	94 144	80 558	306	-167	80 419	80 931	50 555	14 072	2 373	75	13 856	-512
1986	1	91 649	79 103	1 173	-711	78 641	78 868	50 759	11 318	2 530	51	14 210	-227
	2	91 057	77 683	1 152	-2 446	78 977	79 371	52 193	10 716	1 948†	23	14 491	-394
	3	95 301	80 967	1 534	-1 610	81 043	81 453	53 268	11 904	1 395	65	14 821	-410
	4	100 772	85 540	1 217	-192	84 515	85 765	54 619	13 658	2 404	14	15 070	-1 250
1987	1	97 143	83 551	1 203	-1 258	83 606	84 874	54 604	13 042	1 899	49	15 280	-1 268
Seasonally adjusted													
		DJBG	DJBF	AIMD	DJDS	DJBE	DIAD	DIAC	CIAD	ADRO		DJBH	DJCE
1984	1	79 348†	68 335†	765†	-461	68 031†	69 144†	44 035	10 869	2 412	-7†	11 835	-1 113†
	2	79 515	68 539	901	-997†	68 635	70 189	44 546	11 344	2 180	-21	12 140	-1 554
	3	81 281	69 970	1 246	-1 885	70 609	71 771	45 136	12 184	2 008	2	12 441	-1 162
	4	84 052	72 595	1 507	-1 126	72 214	73 769	46 678	12 651	1 736	-49	12 753	-1 555
1985	1	86 042	74 451	979	-164	73 666	75 209	47 360†	13 539†	1 127	163	13 020†	-1 543
	2	88 058	75 835	841	-1 104	76 098	76 610	48 480	12 980	1 909	-12	13 253	-512
	3	89 752	77 139	1 272	-1 185	77 052	77 747	49 418	12 635	2 161	44	13 489	-695
	4	90 964	78 092	301	-755	78 546	79 087	50 299	12 948	1 909	75	13 856	-541
1986	1	93 125	80 002	1 175	-416	79 243	79 025	51 187	11 600	1 977	51	14 210	218
	2	93 394	79 690	1 089	-1 255	79 856	80 372	52 309	11 307	2 242†	23	14 491	-516
	3	95 103	80 816	1 508	-2 046	81 454	82 110	53 005	12 217	2 002	65	14 821	-656
	4	97 157	82 585	1 304	-1 242	82 623	83 950	54 338	12 472	2 056	14	15 070	-1 327
1987	1	98 807	84 629	1 212	-978	84 395	85 195	55 042	13 026	1 798	49	15 280	-800

1 Before providing for depreciation and stock appreciation.
2 Wages and salaries, forces' pay and employers' contributions.
3 Including financial institutions.
4 Figures reflect the privatisation of British Telecom, British Gas and British Airways with effect from 28 November 1984, 3 December 1986 and 6 February 1987 respectively.
5 Income from rent and self-employment and the imputed charge for consumption of non-trading capital.

Index numbers of output at constant factor cost

TABLE 3

1980 = 100

		GROSS DOMESTIC PRODUCT	Production					Service Industries			
			Agriculture, forestry and fishing	Total production and construction	Total[1]	Energy and water supply[1]	Manufacturing (revised definition)[1]	Construction[1]	Total	Distribution hotels and catering; repairs	Transport and communication	Other services
1980 Weights		1000	22	424	361	95	266	63	554	128	72	354
		DSAE	CKAP	DVJN	DVIM	DVIN	DVIS	DVJO	CKCE	CKAQ	CKAR	CKAS
1980		100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981		98.4	102.6	95.6	96.6	103.8	94.0	89.9	100.3	98.1	100.2	101.1
1982		100.0	111.2	97.4	98.4	110.0	94.2	91.6	101.7	99.9	99.3	102.8
1983		103.1	105.2†	100.9	101.9	115.9	96.9	95.3	104.7	103.4	102.3	105.7
1984		106.5†	124.5	102.5	103.2	110.1	100.7	98.5†	108.9†	108.2	106.3	109.6
1985		110.4	118.5	106.9†	108.1	120.1	103.8	99.8	112.7	112.0	112.3	113.1†
1986		113.6	118.5	108.9	110.1†	125.2	104.6	102.1	117.0	117.0†	116.7†	117.0
Seasonally adjusted												
1983	1	101.7†	105†	99.3	100.3	112.8	95.8	93.7	103.3	102	101	104
	2	102.0	102	99.3	100.6	115.0	95.4	92.1	104.0	102	102	105
	3	103.8	104	102.0	102.8	117.6	97.5	97.7	105.3	104	103	106
	4	105.0	110	103.1	104.0	118.0	98.9	97.8	106.3	105	104	107
1984	1	105.7	119	103.1†	104.0	116.8	99.4	97.8†	107.1	106	104	108
	2	105.9	126	102.0	102.6	109.1	100.3	98.3	108.1	108	105	109
	3	106.7	128	102.0	102.4	105.3	101.4	99.6	109.5	109	107	110
	4	107.7	124	102.9	103.7	109.4	101.7	98.2	110.7†	111	109	111
1985	1	109.2	120	105.5	106.4	115.0	103.3	100.3	111.6	111	111	112
	2	110.6	118	107.9	109.3	122.6	104.5	99.6	112.3	111	112	113
	3	110.5	118	106.8	108.2	120.9	103.6	98.7	113.0	112	112	113†
	4	111.3	118	107.4	108.5†	121.8	103.7†	100.8	113.9	113	113	114
1986	1	111.7	119	107.6	109.1	127.3†	102.6	99.0	114.5	114	114	115
	2	112.9	118	108.2	109.3	125.3	103.6	101.8	116.3	116	117†	116
	3	114.4	119	109.8	111.0	127.6	105.0	102.7	117.7	118	116	118
	4	115.3	118	110.0	110.8	120.8	107.3	105.1	119.3	120†	120	119
1987	1	116.4	117	111.9	112.1	126.3	107.0	110.4	119.8	120	119	120

1 Any differences between this column and the data on page 26 arise because the latter may be based on later information.

Personal income, expenditure and saving

TABLE 4

£ million

		Personal income before tax														
		Total[1]	Wages, salaries and forces' pay	Employers' contributions	Current grants from general government	Other personal income	UK taxes on income (payments)	National insurance, etc. contributions	Other current transfers	Total personal disposable income[2,3]	Consumers' expenditure	Balance: personal saving[3]	Saving ratio[4]	Consumers' expenditure implied deflator (1980=100)	Real personal disposable income at 1980 prices[5]	Index of real personal disposable income (1980=100)
		AIIA	AIJA	AIID	AIIE	AIIF	AIIG	AIIH	AIJC	AIIJ	AIIK	AAAU	AIIM	CAOV	CFAG	CFAD
1980		202 371	119 226	18 126	25 516	39 503	25 544	13 944	1 302	161 581	137 234	24 347	15.1	100.0	161 581	100.0
1981		222 662†	127 683	20 497	31 145†	43 337	28 738	15 916†	1 462	176 546†	152 847	23 699†	13.4	111.4	158 486†	98.1
1982		243 257	136 792	21 634	36 466	48 365†	31 494	18 095	1 478	192 190	167 381†	24 809	12.9	121.0	158 772	98.3†
1983		261 931	146 619	23 439	39 525	52 348	32 909	20 795	1 577	206 550	182 598	23 952	11.6	127.2†	162 440	100.5
1984		281 313	156 245	24 150	42 651	58 267	34 855†	22 287	1 830	222 341	195 341	27 000	12.1	133.2	166 928	103.3
1985		304 759	169 855†	25 702	46 337	62 865	38 308	24 255	1 857	240 339	213 168	27 171	11.3†	140.3	171 359	106.1
1986		329 061	183 948	26 891†	50 132	68 090	41 427	25 824	1 995†	259 815	232 013	27 802	10.7	145.3	178 854	110.7
Unadjusted																
1984	1	67 938†	37 718	5 919	10 556†	13 745†	[illegible] 821	5 356†	454	53 307†	45 853†	7 454†	14.0†	131.0	40 682†	100.7
	2	69 058	38 481	5 983	10 552	14 042	[illegible] 147†	5 518	460	54 933	47 730	7 203	13.1	133.4	41 181	101.9†
	3	70 095	39 336	6 047	10 620	14 092	[illegible] 661	5 623	467†	55 344	49 170	6 174	11.2	133.9	41 324	102.3
	4	74 222	40 710	6 201	10 923	16 388	9 226	5 790	449	58 757	52 588	6 169	10.5	134.3	43 741	108.3
1985	1	73 022	40 794†	6 166	11 289	14 773	9 275	5 758	462	57 527	49 883	7 644	13.3	138.2	41 625	103.0
	2	75 387	41 989	6 386	11 451	15 561	8 827	6 071	465	60 024	51 343	8 681	14.5	140.4	42 758	105.8
	3	76 933	43 131	6 536	11 684	15 582	9 913	6 221	466	60 333	54 241	6 092	10.1	140.9†	42 804	106.0
	4	79 417	43 941	6 614	11 913	16 949	10 293	6 205	464	62 455	57 701	4 754	7.6	141.4	44 172	109.3
1986	1	79 105	44 193	6 566	12 241	16 105	9 993	6 172	501	62 439	54 376	8 063	12.9	144.5	43 201	106.9
	2	81 886	45 509	6 684†	12 484	17 209	9 807	6 418	491	65 170	56 250	8 920	13.7	145.5	44 785	110.9
	3	83 486	46 496	6 772	12 661	17 557	10 549	6 559	504	65 874	59 410	6 464	9.8	146.1	45 074	111.6
	4	84 584	47 750	6 869	12 746	17 219	11 078	6 675	499	66 332	61 977	4 355	6.6	144.9	45 794	113.4
1987	1	86 373	47 809	6 795	12 916	17 853	11 014	6 645	518	67 196	57 867	9 329	13.9	148.5	45 257	112.0
Seasonally adjusted																
		AIIQ	AIJB	AIIR	AIIS	AIIT	AIIU	AIIV		AIIW	AIIX	AAUU	AIIZ	CAOX	CFAH	CFAF
1984	1	68 379†	38 058	5 977	10 384†	13 960†	8 651	5 406†	454	53 868†	47 505†	6 363†	11.8†	131.0	41 130†	101.8†
	2	69 290	38 550	5 996	10 591	14 153	8 571†	5 529	460	54 730	48 705	6 025	11.0	132.4	41 343	102.3
	3	69 909	39 120	6 016	10 772	14 001	8 573	5 594	467†	55 275	48 894	6 381	11.5	133.8	41 308	102.3
	4	73 735	40 517	6 161	10 904	16 153	9 060	5 758	449	58 468	50 237	8 231	14.1	135.5	43 147	106.8
1985	1	73 535	41 136†	6 224	11 108	15 067	9 205	5 811	462	58 057	51 685	6 372	11.0	138.0	42 072	104.2
	2	75 374	42 079	6 401	11 506	15 388	9 171	6 083	465	59 655	52 375	7 280	12.2	139.3	42 830	106.0
	3	76 772	42 913	6 505	11 838	15 516	9 897	6 190	466	60 219	54 002	6 217	10.3	141.0†	42 713	105.7
	4	79 078	43 727	6 572	11 885	16 894	10 035	6 171	464	62 408	55 106	7 302	11.7	142.7	43 744	108.3
1986	1	80 [illegible]50	44 560	6 627	12 066	16 797	10 060	6 228	501	63 261	56 396	6 865	10.9	144.1	43 890	108.7
	2	81 711	45 609	6 700†	12 540	16 862	10 028	6 431	491	64 761	57 450	7 311	11.3	144.3	44 876	111.1
	3	83 084	46 265	6 740	12 710	17 369	10 535	6 526	504	65 519	58 928	6 591	10.1	145.9	44 913	111.2
	4	84 216	47 514	6 824	12 816	17 062	10 804	6 639	499	66 274	59 239	7 035	10.6	146.7	45 175	111.8
1987	1	86 619	48 186	6 856	12 976	18 601	11 116	6 703	518	68 282	60 029	8 253	12.1	148.2	46 083	114.1

1 Before providing for depreciation and stock appreciation.
2 Equals total personal income before tax less payments of taxes on income, national insurance, etc. contributions and other current transfers.
3 Before providing for depreciation, stock appreciation and additions to tax reserves.
4 Personal saving as a percentage of total personal disposable income.
5 Personal disposable income revalued by the implied consumers' expenditure deflator (1980 = 100).

Consumers' expenditure

TABLE 5

£ million

	Total consumers' expenditure	Durable goods			Other goods								Services	
		Total	Cars, motor cycles and other vehicles	Furniture and floor coverings	Other durable goods	Food (household expenditure)	Beer	Other alcoholic drink	Tobacco	Clothing other than footwear	Footwear	Energy products	Other goods	Rent, rates and water charges	Other services[1]
At current prices	AIIK	AIIL	CCDT	CCDU	CCDV	CCDW	CCDX	CCDY	CCDZ	CCEA	CCEB	CCEC	CCED	CCEE	CCEF
1980	137 234	13 437	6 409	3 436	3 592	22 876	5 320	4 635	4 821	8 112	1 761	11 001	14 414	16 048	34 809
1981	152 847	13 983	6 556	3 548	3 879	24 207	5 971	5 181	5 515	8 315	1 844	13 422	15 603	19 445	39 361
1982	167 381†	15 341†	7 222†	3 701	4 418	25 649	6 450	5 553	5 881	8 856	2 068	15 027	16 919	22 422	43 215
1983	182 598	17 880	8 754	3 965	5 161	27 385	7 138	6 232	6 209	9 860	2 314	16 312	18 455	23 535	47 278†
1984	195 341	18 638	8 778	4 140	5 720	28 642	7 734	6 696	6 622	10 778	2 548	17 025	20 347	24 805	51 506
1985	213 168	21 026	10 253	4 353	6 420	29 950	8 416	7 367	7 006	12 127	2 767	18 629	22 552†	26 989†	56 339
1986	232 013	23 251	11 327	4 611	7 313	32 038	8 849†	7 625†	7 471†	13 443	2 946	18 474	24 873	29 133	63 910
Unadjusted															
1984 1	45 853†	4 810†	2 491†	1 017	1 302	6 867	1 699	1 243	1 569	2 154	481	4 934	4 384†	6 002	11 710†
2	47 730	4 456	2 359	929	1 168	7 253	1 971	1 453	1 640	2 432	627	3 866	4 810	6 177	13 045
3	49 170	4 773	2 463	993	1 317	7 111	2 053	1 541	1 691	2 569	654	3 521	4 942	6 262	14 053
4	52 588	4 599	1 465	1 201	1 933	7 411	2 011	2 459	1 722	3 623	786	4 704	6 211	6 364	12 698
1985 1	49 883	5 285	2 756	1 069	1 460	7 054	1 860	1 311	1 683	2 453	549	5 284	4 881	6 503	13 020
2	51 343	4 782	2 506	992	1 284	7 408	2 115	1 590	1 741	2 785	687	4 283	5 296	6 791	13 865
3	54 241	5 820	3 273	1 056	1 491	7 561	2 217	1 687	1 778	2 870	699	3 982	5 492	6 818†	15 317
4	57 701	5 139	1 718	1 236	2 185	7 927	2 224	2 779	1 804	4 019	832	5 080	6 883	6 877	14 137
1986 1	54 376	5 699	2 952	1 101	1 646	7 529	1 938	1 403†	1 759†	2 709	575	5 714	5 333	7 023	14 694
2	56 250	5 415	2 873	1 035	1 507	7 982	2 268	1 637	1 877	3 036	733	4 121	5 794	7 300	16 087
3	59 410	6 486	3 669	1 114	1 703	8 146	2 351†	1 747	1 899	3 193	741	3 748	6 081	7 372	17 646
4	61 977	5 651	1 833	1 361	2 457	8 381	2 292	2 838	1 936	4 505	897	4 891	7 665	7 438	15 483
1987 1	57 867	6 390	3 443	1 185†	1 762†	7 720†	1 978	1 451	1 876	2 900†	596†	5 637†	5 853	7 641	15 825
Revalued at 1980 prices	CCBH	CCBI	CCBJ	CCBK	CCBL	CCBM	CCBN	CCBO	CCBP	CCBQ	CCBR	CCBS	CCCK	CCCL	CCBV
1980	137 234	13 437	6 409	3 436	3 592	22 876	5 320	4 635	4 821	8 112	1 761	11 001	14 414	16 048	34 809
1981	137 211†	13 687†	6 521†	3 386	3 780	22 713	5 000	4 612	4 471	8 101	1 687	11 039	14 465†	16 236	35 200
1982	138 277	14 370	6 680	3 427	4 263	22 642	4 825	4 545	4 128	8 333	1 812	11 097	14 712	16 489	35 324
1983	143 603	16 461	7 958	3 559	4 944	23 109	4 913	4 817	4 082	8 940	1 952	11 203	15 065	16 699	36 362†
1984	146 657	16 629	7 561	3 535	5 533	22 891	4 943	5 040	3 943	9 496	2 065	11 329	15 849	16 948	37 524
1985	151 986	17 844	8 032	3 594	6 218	23 197	4 934	5 290	3 837	10 250	2 128	11 840	16 465	17 113	39 088
1986	159 715	19 383	8 355	3 671	7 357	23 906	4 935†	5 362†	3 731†	11 094	2 185	12 317	17 448	17 284	42 070
Unadjusted															
1984 1	34 998†	4 356†	2 214†	885	1 257	6 550	1 125	940	1 003	1 936	400	3 277	3 469†	4 216	8 726†
2	35 786	3 930	2 012	796	1 122	5 769	1 268	1 098	964	2 152	512	2 591	3 766	4 232	9 504
3	36 719	4 216	2 098	839	1 279	5 669	1 304	1 157	984	2 259	525	2 394	3 835	4 245	10 131
4	39 154	4 127	1 237	1 015	1 875	6 903	1 246	1 845	992	3 149	628	3 067	4 779	4 255	9 163
1985 1	36 100	4 557	2 235	900	1 422	5 474	1 128	968	957	2 127	429	3 375	3 638	4 262	9 185
2	36 580	4 016	1 953	820	1 243	5 795	1 245	1 154	949	2 377	534	2 700	3 886	4 273	9 651
3	38 489	4 836	2 520	869	1 447	5 874	1 294	1 204	961	2 425	537	2 553	3 973	4 284	10 548
4	40 817	4 435	1 324	1 005	2 106	6 054	1 267	1 964	970	3 321	628	3 212	4 968	4 294	9 704
1986 1	37 622	4 720	2 230	894	1 596	5 682	1 094	984†	933†	2 268	433	3 604	3 764	4 303	9 837
2	38 655	4 449	2 134	821	1 494	5 990	1 276	1 157	928	2 532	547	2 831	4 072	4 312	10 561
3	40 651	5 285	2 662	892	1 731	6 072	1 308†	1 224	928	2 643	549	2 627	4 266	4 326	11 423
4	42 787	4 929	1 329	1 064	2 536	6 162	1 257	1 997	942	3 651	656	3 255	5 346	4 343	10 249
1987 1	38 974	5 181	2 451	939†	1 791†	5 618†	1 083	1 002	909	2 379†	435†	3 601†	4 052	4 365†	10 349
Seasonally adjusted	CAAB	CCBW	CCBX	CCBY	CCBZ	CCCA	CCCB	CCCC	CCCD	CCCE	CCCF	CCCG	CCCM	CCCN	CCCJ
1984 1	36 267†	4 095†	1 906†	882	1 307	5 759	1 238	1 237	1 018	2 288	491	2 867	3 841†	4 216	9 217†
2	36 787	4 232	2 006	872	1 354	5 762	1 238	1 264	974	2 340	518	2 812	3 977	4 232	9 438
3	36 535	4 048	1 766	883	1 399	5 654	1 228	1 271	978	2 410	525	2 798	3 996	4 245	9 382
4	37 068	4 254	1 883	898	1 473	5 716	1 239	1 268	973	2 458	531	2 852	4 035	4 255	9 487
1985 1	37 454	4 333	1 950	897	1 486	5 691	1 239	1 284	969	2 512	530	2 925	4 051	4 262	9 658
2	37 603	4 344	1 946	898	1 500	5 780	1 219	1 327	962	2 572	535	2 927	4 094	4 273	9 570
3	38 303	4 616	2 117	913	1 586	5 862	1 217	1 329	956	2 580	534	2 993	4 135	4 284	9 797
4	38 626	4 551	2 019	886	1 646	5 864	1 259	1 350	950	2 586	529	2 995	4 185	4 294	10 063
1986 1	39 128	4 523	1 957	893	1 673	5 905	1 202	1 311†	943†	2 686	538	3 108	4 206	4 303	10 403
2	39 811	4 832	2 125	902	1 805	5 970	1 253	1 329	942	2 741	548	3 076	4 285	4 312	10 523
3	40 396	5 078	2 238	939	1 901	6 066	1 230†	1 352	924	2 818	547	3 080	4 452	4 326	10 523
4	40 380	4 950	2 035	937	1 978	5 965	1 250	1 370	922	2 849	552	3 053	4 505	4 343	10 621
1987 1	40 513	4 950	2 144	938†	1 868†	5 857†	1 189	1 332	919	2 809†	541†	3 109†	4 526	4 365†	10 916

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.

Appropriation account of companies and financial institutions[1]

TABLE 6

£ million

		Income						Allocation of income					
		Income arising in the United Kingdom						Dividends and interest, etc.[3]					
			Gross trading profits										
		Total	After deducting stock appreciation[2]	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares	Other[4]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[5] Total	of which: advance corporation tax	Balance: undistributed income[6]
		CIDB	CICS	CIDP	CIAC	CICN	CIAL	CIAY	CIDV	CIBU	CIDC	CICR	CIDA
1980		50 153	22 696	5 544	28 240	14 896	7 017	3 354	14 487	4 769	6 612	2 031	20 931
1981		53 470	23 653†	5 001†	28 654	16 245	8 571	3 416	14 908	4 695	8 491	1 872	21 960
1982		58 328†	28 337	3 454	31 791	17 664	8 873†	3 955†	17 143	4 657†	10 142	2 114	22 431†
1983		68 007	34 903	4 114	39 017	17 917	11 073	4 680	16 659	5 256	11 872	1 849	29 540
1984		82 799	42 519	4 529	47 048	21 291	14 460	5 541	19 732†	6 270	13 872†	2 862	37 384
1985		95 527	49 540	2 562	52 102†	27 674†	15 751	6 979	25 095	7 399	16 492	3 865†	39 562
1986		92 106	45 679	1 917	47 596	29 157	15 353	8 607	23 009	5 277	14 207	4 217	41 006
Unadjusted													
1984	1	19 314†	9 518†	1 342†	10 860	5 017	3 437†	719†	4 435	1 817†	4 728	1 083	7 615†
	2	19 043	9 583	1 233	10 816	4 802	3 425	1 519	4 507	1 586	1 977†	400	9 454
	3	20 953	10 875	775	11 650	5 687	3 616	1 048	4 933†	1 350	3 669	755	9 953
	4	23 489	12 543	1 179	13 722	5 785	3 982	2 255	5 857	1 517	3 498	624	10 362
1985	1	24 404	11 881	1 661	13 542†	6 464†	4 398	927	5 897	2 331	6 240	1 370	9 009
	2	23 297	12 078	254	12 332	7 019	3 946	2 030	6 661	1 868	2 280	496	10 458
	3	23 155	11 896	260	12 156	7 125	3 874	1 587	6 164	1 289	4 166	1 021	9 949
	4	24 671	13 685	387	14 072	7 066	3 533	2 435	6 373	1 911	3 806	978†	10 146
1986	1	22 516	11 234	84	11 318	7 453	3 745	1 336	6 198	1 311	6 066	1 313	7 605
	2	21 380	10 473	243	10 716	7 029	3 635	2 720	5 452	1 306	2 512	720	9 390
	3	22 819	11 478	426	11 904	7 061	3 854	2 071	5 501	1 065	1 925	1 143	12 257
	4	25 391	12 494	1 164	13 658	7 614	4 119	2 480	5 858	1 595	3 704	1 041	11 754
1987	1	25 314	11 948	1 094	13 042	8 040	4 232	2 013	6 426	1 577	5 896	1 551	9 402
Seasonally adjusted													
		CIDN	CIDE	CIDQ	CIAD	CICQ	CIAM	CIBF	CIDW	CIBV	CIDO	CIDD	CIDM
1984	1	19 292†	9 901†	968†	10 869	4 964	3 459†	1 131†	4 506†	1 831†	3 174	826	8 650†
	2	19 534	9 987	1 357	11 344	4 840	3 350	1 289	4 507	1 544	3 222†	614	8 992
	3	21 546	11 237	947	12 184	5 681	3 681	1 191	5 191	1 407	3 497	710	10 260
	4	22 427	11 394	1 257	12 651	5 806	3 970	1 950	5 528	1 488	3 979	712	9 482
1985	1	24 405	12 290	1 249	13 539†	6 422†	4 444	1 442	6 045	2 354	4 215	997	10 349
	2	23 892	12 595	385	12 980	7 055	3 857	1 626	6 453	1 805	3 951	793	10 057
	3	23 672	12 186	449	12 635	7 114	3 923	1 764	6 242	1 362	4 186	969	10 118
	4	23 558	12 469	479	12 948	7 083	3 527	2 147	6 355	1 878	4 140	1 106†	9 038
1986	1	22 799	11 906	-306	11 600	7 407	3 792	2 120	6 224	1 323	3 768	889	9 364
	2	21 913	10 929	378	11 307	7 061	3 545	2 168	5 488	1 239	3 546	1 071	9 472
	3	23 192	11 628	589	12 217	7 054	3 921	2 314	5 542	1 163	3 215	1 095	10 958
	4	24 202	11 216	1 256	12 472	7 635	4 095	2 005	5 755	1 552	3 678	1 162	11 212
1987	1	25 285	12 343	683	13 026	7 975	4 284	3 124	6 126	1 596	3 318	1 144	11 121

1 Figures reflect the privatisation of British Telecom, British Gas and British Airways with effect from 28 November 1984, 3 December 1986 and 6 February 1987 respectively.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 Mainly payments of corporation tax (including advance corporation tax), petroleum revenue tax and supplementary petroleum tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of industrial and commercial companies[1]

TABLE 7

£ million

	Income								Allocation of income				
		Income arising in the United Kingdom							Dividends and interest, etc.[3]				
		Gross trading profits											
		Net of stock appreciation											
	Total	Total[2]	N.Sea oil companies	Other companies	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Payments of dividends on ordinary shares	Other[4]	Profits due abroad (net of UK tax)	UK taxes on income (payments)[5]	Balance: undistributed income[6]
	AIAA	AIAB	CIDR	CIDS	AIAC	AIAD	AIAE	AIAF	AIAH	AIAI	AIAJ	AIAL	AAAQ
1980	40 016	26 256	8 056	18 200	5 544	31 800	3 244	4 972	3 146	9 172	4 424	5 806	17 466
1981	42 589	28 703†	10 864	17 839†	5 001†	33 704	3 457	5 428	3 188	9 084	4 182	7 682	18 453
1982	45 419†	33 222	12 720	20 502	3 454	36 676	3 531	5 212†	3 656†	10 033	3 974†	9 164	18 592†
1983	54 452	40 263	15 673	24 590	4 114	44 377	3 551	6 524	4 395	10 025	4 631	10 681	24 720
1984	66 367	49 019	19 019	30 000	4 529	53 548	4 036†	8 783	5 297	11 598†	5 542	12 615†	31 315
1985	74 685	58 015	18 364	39 651	2 562	60 577†	5 034	9 074	6 798	14 168	6 369	15 250	32 100
1986	71 043	55 679	8 410†	47 269	1 917	57 596	5 224	8 223	8 492	12 916	4 650	12 805	32 180
Unadjusted													
1984 1	15 501†	10 993†	4 705	6 288†	1 342†	12 335	1 018	2 148†	659†	2 582	1 618†	3 812	6 830†
2	15 196	11 133	4 366	6 767	1 233	12 366	918	1 912	1 402	2 657	1 388	1 903†	7 846
3	16 799	12 550	4 509	8 041	775	13 325	1 058	2 416	918	3 149†	1 184	3 527	8 021
4	18 871	14 343	5 439	8 904	1 179	15 522	1 042†	2 307	2 318	3 210	1 352	3 373	8 618
1985 1	19 477	13 856	5 746	8 110	1 661	15 517†	1 282	2 678	904	3 757	2 050	5 450	7 316
2	18 142	14 178	4 566	9 612	254	14 432	1 273	2 437	1 840	3 516	1 588	2 190	9 008
3	17 816	14 096	3 709	10 387	260	14 356	1 233	2 227	1 531	3 327	1 055	3 946	7 957
4	19 250	15 885	4 343	11 542	387	16 272	1 246	1 732	2 523	3 568	1 676	3 664	7 819
1986 1	17 021	13 634	3 443	10 191	84	13 718	1 371	1 932	1 353	3 368	1 135	5 146	6 019
2	16 404	12 973	1 492	11 481	243	13 216	1 246	1 942	2 636	2 953	1 129	2 415	7 271
3	17 895	14 078	1 432†	12 646	426	14 504	1 240	2 151	1 988	3 103	928	1 712	10 164
4	19 723	14 994	2 043	12 951	1 164	16 158	1 367	2 198	2 515	3 492	1 458	3 532	8 726
1987 1	19 670	14 548	2 778	11 770	1 094	15 642	1 495	2 533	2 078	3 350	1 392	5 751	7 099
Seasonally adjusted													
	AIAN	AIAO	CIDT	CIDU	AIAP	AIAQ	AIAR	AIAS	AIAU	AIAV	AIAW	AIAY	AAUQ
1984 1	15 482†	11 376†	4 306	7 070†	968†	12 344	985	2 173†	1 066†	2 543†	1 632†	2 861	7 380†
2	15 686	11 537	4 593	6 944	1 357	12 894	956	1 836	1 229	2 706	1 346	2 907†	7 498
3	17 390	12 912	4 837	8 075	947	13 859	1 052	2 479	1 078	3 143	1 241	3 182	8 746
4	17 809	13 194	5 283	7 911	1 257	14 451	1 063†	2 295	1 924	3 206	1 323	3 665	7 691
1985 1	19 471	14 285	5 261	9 004	1 249	15 514†	1 240	2 717	1 424	3 689	2 073	3 902	8 383
2	18 737	14 695	4 860	9 835	385	15 080	1 309	2 348	1 538	3 589	1 525	3 640	8 445
3	18 343	14 386	4 017	10 369	449	14 835	1 222	2 286	1 717	3 327	1 128	3 876	8 295
4	18 134	14 689	4 226	10 443	479	15 148	1 263	1 723	2 119	3 563	1 643	3 832	6 977
1986 1	17 298	14 306	3 208	11 088	-306	14 000	1 325	1 973	2 163	3 325	1 147	3 448	7 215
2	16 931	13 429	1 615	11 814	378	13 807	1 278	1 846	2 171	3 006	1 062	3 206	7 486
3	18 263	14 228	1 576†	12 652	589	14 817	1 233	2 213	2 248	3 100	1 026	2 855	9 034
4	18 551	13 716	2 011	11 705	1 256	14 972	1 388	2 191	1 910	3 485	1 415	3 296	8 445
1987 1	19 635	14 943	2 518	12 425	683	15 626	1 430	2 579	3 247	3 291	1 411	2 918	8 768

1 Figures reflect the privatisation of British Telecom, British Gas and British Airways with effect from 28 November 1984, 3 December 1986 and 6 February 1987 respectively.
2 Before providing for depreciation.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their overseas parents.
4 Including royalties and licence fees on oil and gas production.
5 The difference between all companies payments and financial companies and insitutions' payments of taxes on income. The former include payments of corporation tax (including advance corporation tax), petroleum revenue tax, and supplementary petroleum tax.
6 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of financial companies and institutions

TABLE 8

£ million

		Income						Allocation of income						
			Income arising in the United Kingdom					Dividends and interest, etc.						
				Rent and non-trading income					Other interest payments					
		Total	Gross trading profits[1,2]	of the monetary sector	of building societies	Other	Income from abroad (net of taxes paid abroad)	Dividends and debenture and loan interest payments[3]	by the monetary sector	by building societies	Other	Profits due abroad (net of UK tax)	UK taxes on income[4]	Balance: undistributed income[5]
		AIFA	AIFB	AIFC	AIFD	AIFE	AIFF	AIFG	AIFH	AIFI	AIFJ	AIFK	AIFL	AAAM
1980		19 256	-3 560	11 627	6 678	2 468	2 045	999	6 672	6 215	756	345	804	3 465
1981		19 604	-5 050	11 865	7 405	2 241	3 143	1 005	6 895	6 501	574	513	809	3 507
1982		21 741	-4 885	13 519	8 335	1 111	3 661	1 184	7 475	7 360	222	683	978	3 839
1983		22 260	-5 360	13 411	8 208	1 454	4 549	1 342	7 050	7 014	218	625	1 191	4 820
1984		26 067†	-6 500	14 883	10 278	1 731	5 677†	1 493†	7 370	8 888	262	728†	1 257	6 069†
1985		34 035	-8 475	20 051†	13 690†	2 092†	6 677	2 007	10 530	11 531	233	1 030	1 242	7 462
1986		34 550	-10 000†	20 173	14 466	2 781	7 130	2 255	10 138†	11 066	236	627	1 402	8 826
Unadjusted														
1984	1	5 907†	-1 475	3 379	2 342	372	1 289†	247	1 647	2 052	61	199†	916	785†
	2	6 086	-1 550	3 389	2 272	462	1 513	447	1 662	2 031	66	198	74	1 608
	3	6 741	-1 675	4 110	2 716	390	1 200	399	1 969	2 062	71	166	142	1 932
	4	7 333	-1 800	4 005	2 946	507	1 675	400†	2 092	2 743	64	165	125	1 744
1985	1	8 221	-1 975	5 121†	3 010†	345†	1 720	356	2 561	2 476	64	281	790	1 693
	2	8 547	-2 100	5 082	3 500	556	1 509	659	2 691	3 319	58	280	90	1 450
	3	8 516	-2 200	4 907	3 633	529	1 647	497	2 659	2 859	55	234	220	1 992
	4	8 751	-2 200	4 941	3 547	662	1 801	495	2 619	2 877	56	235	142	2 327
1986	1	8 918	-2 400†	5 355	3 593	557	1 813	389	2 668	3 121	58	176	920	1 586
	2	8 248	-2 500	4 795	3 512	748	1 693	686	2 479	2 637	53	177	97	2 119
	3	8 111	-2 600	4 769	3 536	703	1 703	610	2 409	2 591	58	137	213	2 093
	4	9 273	-2 500	5 254	3 825	773	1 921	570	2 582†	2 717	67	137	172	3 028
1987	1	9 269	-2 600	5 453	3 955	762	1 699	444	2 668	3 459†	65†	185	145†	2 303
Seasonally adjusted														
		AIFN			AIFU	AIFO	AIFP	AIFQ	AIFV	AIFR			AIFS	AAUM
1984	1	5 955†	-1 475	3 379	2 342	423	1 286†	304	1 681	2 127	61	199†	313	1 270†
	2	6 070	-1 550	3 389	2 272	445	1 514	358	1 662	1 977	66	198	315	1 494
	3	6 747	-1 675	4 110	2 716	394	1 202	383	2 019	2 279	71	166	315	1 514
	4	7 295	-1 800	4 005	2 946	489	1 675	448†	2 008	2 505	64	165	314	1 791
1985	1	8 302	-1 975	5 121†	3 010†	419†	1 727	437	2 634	2 607	64	281	313	1 966
	2	8 516	-2 100	5 082	3 500	525	1 509	530	2 681	3 044	58	280	311	1 612
	3	8 511	-2 200	4 907	3 633	534	1 637	486	2 595	3 008	55	234	310	1 823
	4	8 706	-2 200	4 941	3 547	614	1 804	554	2 620	2 872	56	235	308	2 061
1986	1	9 017	-2 400†	5 355	3 593	650	1 819	475	2 724	3 115	58	176	320	2 149
	2	8 209	-2 500	4 795	3 512	703	1 699	557	2 485	2 611	53	177	340	1 986
	3	8 120	-2 600	4 769	3 536	707	1 708	588	2 425	2 628	58	137	360	1 924
	4	9 204	-2 500	5 254	3 825	721	1 904	635	2 504†	2 712	67	137	382	2 767
1987	1	9 402	-2 600	5 453	3 955	889	1 705	546	2 730	3 123†	65†	185	400†	2 353

1 Before providing for depreciation and stock appreciation.
2 This represents the contribution of financial companies and institutions to the gross domestic product. It is the difference between bank charges, commissions, etc., on the one hand and management expenses (wages and salaries and payments for current expenses) on the other.
3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of such payments is included in 'UK taxes on income'. Excludes dividends and debenture interest paid by UK subsidiaries to their oversees parents.
4 Payment of corporation tax on taxable income (including advance corporation tax) by financial companies and institutions.
5 Before providing for depreciation, stock appreciation and additions to reserves.

Appropriation account of public corporations[1]

TABLE 9

£ million

		Income								Allocation of income				
		Gross trading surplus					Rent and non-trading income			Payments of interest and dividends, etc.				
		Total	After deducting stock appreciation	Stock appreciation	Before deducting stock appreciation[2]	of which: subsidies	Total	of which: rent subsidies	Income from abroad	Total[3]	To general government[3]	Other	UK taxes on income (payments)[4]	Balance: undistributed income[5]
		ADRA	ADRB	ADRC	ADRD	ADRZ	ADRF	ADVA	ADRG	ADRP	ADRR	ADRJ	ADRK	AAAI
1980		7 151	5 775	387	6 162	1 440	904	277	85	2 957	2 169	788	52	4 142
1981		9 098	7 423	398	7 821	1 955	1 207	288	70	3 470	2 475	995	172	5 456
1982		10 811	8 874	515	9 389	2 295	1 389	268	33	3 986	2 891	1 095	435	6 390
1983		11 509	9 529	419	9 948	2 672	1 519	266	42	3 779	2 761	1 018	244	7 486
1984		9 980	7 804	532	8 336	3 610	1 574	272	70	3 693†	2 591†	1 102	301	5 986†
1985		9 184	5 536	270	7 106	3 177	2 008	276	70	3 906	2 852	1 054	106	5 172
1986		9 908†	8 204†	73†	8 277†	2 125	1 556	276	73	4 045	2 562	1 483	328	5 533
Unadjusted														
1984	1	3 247	2 743	112	2 855	841	378	67	14	1 059	788	271	254	1 934
	2	2 344	1 811	101	1 912	942	414	69	18	816†	569†	247	36	1 492†
	3	1 856	1 405	53	1 458	899	378	68	20	993	700	293	5	858
	4	2 533	1 845	266	2 111	928	404	68	18	825	534	291	6	1 702
1985	1	2 082	1 330	173	1 503	1 145	560	68	19	999	645	354	106	977
	2	2 254	1 640	31	1 671	797	567	70	16	950	728	222	-	1 304
	3	2 057	1 518	41	1 559	654	480	69	18	1 015	815	200	-	1 042
	4	2 791	2 348	25	2 373	581	401	69	17	942	664	278	-	1 849
1986	1	3 054	2 437†	93†	2 530	529	507	69	17	1 112	761	351	328	1 614
	2	2 321†	1 870	78	1 948†	542	355	69	18	992	607	385	-	1 329
	3	1 781	1 472	-77	1 395	552	367	69	19	901	554	347	-	880
	4	2 750	2 425	-21	2 404	502	327	69	19	1 040	640	400	-	1 710
1987	1	2 267	1 803	98	1 899	718†	349†	69†	19†	990	691	299†	77†	1 200
Seasonally adjusted		ADRL	ADRM	ADRN	ADRO		ADRQ			ADRX	ADRY		ADRV	AAUI
1984	1	2 797	2 349	63	2 412	841	371	67	14	969	698	271	75	1 753
	2	2 619	2 074	106	2 180	942	421	69	18	935†	688†	247	75	1 609†
	3	2 399	1 865	143	2 008	899	371	68	20	908	615	293	75	1 416
	4	2 165	1 516	220	1 736	928	411	68	18	881	590	291	76	1 208
1985	1	1 699	980	147	1 127	1 145	553	68	19	959	605	354	26	714
	2	2 499	1 888	21	1 909	797	574	70	16	1 009	787	222	26	1 464
	3	2 652	2 041	120	2 161	654	473	69	18	976	776	200	27	1 649
	4	2 334	1 927	-18	1 909	581	408	69	17	962	684	278	27	1 345
1986	1	2 484	1 914†	63†	1 977	529	500	69	17	1 087	736	351	82	1 325
	2	2 622†	2 172	70	2 242†	542	362	69	18	1 035	650	385	82	1 505
	3	2 381	2 000	2	2 002	552	360	69	19	863	516	347	82	1 436
	4	2 409	2 118	-62	2 056	502	334	69	19	1 060	660	400	82	1 267
1987	1	2 159	1 732	66	1 798	718†	342†	69†	19†	965	666	299†	19†	1 175

1 Figures reflect the privatisation of British Telecom, British Gas and British Airways with effect from 28 November 1984, 3 December 1986 and 6 February 1987 respectively.
2 Before providing for depreciation.
3 Including royalties and licence fees on oil and gas production.
4 Corporation tax, petroleum revenue tax and supplementary petroleum tax.
5 Before providing for depreciation, stock appreciation and additions to reserves.

Current account of central government

TABLE 10

£ million

		Receipts										
		Total	Taxes on income[1]	Taxes on expenditure	National insurance contributions	National health contributions	Redundancy Fund, etc contributions[2]	Gross trading surplus[3]	Rent[4] and royalties, etc	Interest and dividends, etc	Miscellaneous current transfers	Imputed charge for consumption of non-trading capital
		ACGA	ACGB	ACGC	ACGD	ACGE	ACGF	ACGG	ACGH	ACGY	ACGX	ACGL
1980		79 640	30 862	28 157	12 690	1 042	212	-83	1 220	4 681	184	895
1981		91 714†	36 022	32 090†	14 358†	1 344	214	-47†	1 436	5 353	164	780
1982		102 196	40 526	34 750	15 977	1 594	524	-164	1 680	6 305†	184	820
1983		109 775	43 177	36 848	18 464	1 754	577	-320	1 977	6 229	214	855
1984		118 690	46 813	39 705	19 853	1 858	576	-493	2 521	6 722	226	909
1985		131 266	51 987†	43 355	21 584	2 038	633	-165	2 466	8 180	209	979
1986		135 859	52 582	47 099	22 894	2 233†	697	-288	1 044†	8 336	241†	1 021
Unadjusted												
1984	1	30 921†	13 491	9 649	4 770†	447	139	-110†	558	1 697	58	222
	2	26 874	9 589	9 406†	4 915	460	143	-126	560	1 641†	59	227
	3	30 087	11 913	10 004	5 009	469	145	-103	685	1 676	62†	227
	4	30 808	11 820	10 646	5 159	482	149	-154	718	1 708	47	233
1985	1	34 027	15 191	10 247	5 129	480	149	56	840	1 642	55	238
	2	29 571	10 299†	10 266	5 408	506	157	-121	568	2 185	58	245
	3	33 524	13 371	10 990	5 544	517	160	-65	480	2 229	52	246
	4	34 144	13 126	11 852	5 503	535	167	-35	578	2 124	44	250
1986	1	35 645	15 827	10 923	5 471	534	167	-59	419	2 043	68	252
	2	31 304	11 300	11 127	5 687	557	174	-88	181	2 054	57	255
	3	32 791	11 622	12 082	5 816	567	176	-45	179	2 073	65	256
	4	36 119	13 833	12 967	5 920	575†	180	-96	265†	2 166	51	258
1987	1	37 393	16 197	11 774	5 893	573	179†	-61	310	2 186	82	280†
Seasonally adjusted		ACGM	ACGN	ACGO	ACGP	ACGQ			ACGT	ACGZ		
1984	1	28 914†	11 441	9 739	4 816†	451	139	-110†	525	1 633	58	222
	2	29 128	11 379	9 774†	4 925	461	143	-126	615	1 671†	59	227
	3	29 824	11 722	10 003	4 982	467	145	-103	649	1 670	62†	227
	4	30 824	12 271	10 189	5 130	479	149	-154	732	1 748	47	233
1985	1	31 882	12 800	10 485	5 177	485	149	56	786	1 651	55	238
	2	32 278	12 457†	10 752	5 419	507	157	-121	644	2 160	58	245
	3	33 510	13 399	10 987	5 516	514	160	-65	437	2 264	52	246
	4	33 596	13 331	11 131	5 472	532	167	-35	599	2 105	44	250
1986	1	33 269	13 088	11 243	5 522	539	167	-59	380	2 069	68	252
	2	33 347	12 778	11 652	5 699	558	174	-88	232	2 030	57	255
	3	34 045	12 983	12 002	5 786	564	176	-45	144	2 114	65	256
	4	35 198	13 733	12 202	5 887	572†	180	-96	288†	2 123	51	258
1987	1	34 956	13 377	12 103	5 946	578	179†	-61	270	2 222	82	280†

1 Tax receipts less tax credits.
2 Including, from the second quarter of 1982, contributions from employees.
3 Before providing for depreciation.
4 The coverage of the figures from 1983 onwards differs from that for earlier periods because of the effects of the introduction of the new housing benefit scheme at the end of 1982.

Current account of central government

TABLE 10 (continued)

£ million

		Expenditure											
			Final consumption										
		Total current expenditure	Total	Military defence	National health service	Other	Subsidies	National insurance benefits	Other current grants to personal sector[4]	Current grants to local authorities[4]	Current grants paid abroad (net)	Debt interest	Balance: current surplus[5]
		ACHB	ACHC	ACHD	ACHE	ACHF	ACHG	ACHH	ACHI	ACHJ	ACHK	ACHL	AAAA
1980		82 365	29 993	11 371	11 169	7 453	4 676	14 405	10 006	13 240	1 782	8 263	-2 725
1981		96 053†	33 848	12 577	12 856	8 416	5 268	17 169†	12 834†	15 201	1 612†	10 120	-4 339†
1982		106 127	37 087†	14 327†	13 428	9 332†	4 481	18 676	16 494	16 190	1 782	11 417	-3 931
1983		114 828	40 717	15 633	15 224	9 860	4 866	19 979	16 365	18 704	1 935	12 262	-5 053
1984		124 784	43 131	16 942	15 960	10 229	6 277	21 256	17 659	20 243	2 099	14 119	-6 094
1985		134 609	46 107	17 942	17 017	11 148	6 483†	22 611	19 666	20 658	3 333	15 751†	-3 343
1986		140 367	48 609	18 168	18 415†	12 026	5 633	24 724	21 179	22 003†	2 208	16 011	-4 508
Unadjusted													
1984	1	31 539†	10 554†	4 054†	3 831	2 689†	1 722	5 324†	4 253†	5 378	578†	3 730	-618†
	2	30 426	10 463	4 235	3 879	2 349	1 452	5 108	4 431	5 103†	793	3 076	-3 552
	3	31 244	11 019	4 273	4 159	2 587	1 491	5 274	4 428	4 710	645	3 677	-1 157
	4	31 575	11 095	4 380	4 091	2 624	1 612	5 550	4 547	5 052	83	3 636	-767
1985	1	34 407	11 520	4 379	4 091	3 050	2 074	5 609	4 591	5 565	1 104	3 944	-380
	2	32 818	11 423	4 510	4 294	2 619	1 493	5 520	4 834	5 185	758	3 625	-3 247
	3	33 498	11 480	4 505	4 283	2 692	1 477	5 640	5 055	4 752	838	4 256	26
	4	33 886	11 684	4 548	4 349	2 787	1 439†	5 842	5 186	5 176	633	3 926†	258
1986	1	34 760	12 064	4 492	4 495	3 077	1 559	6 082	5 035	5 546	206	4 268	885
	2	34 665	12 024	4 556	4 577†	2 891	1 366	6 072	5 270	5 799	584	3 550	-3 361
	3	35 518	12 113	4 531	4 606	2 976	1 357	6 181	5 445	5 158	784	4 500	-2 727
	4	35 424	12 408	4 589	4 737	3 082	1 351	6 389	5 429	5 500	654	3 693	695
1987	1	37 672	12 619	4 642	4 676	3 301	1 794	6 436	5 276	5 832	930	4 785	-279
Seasonally adjusted													
		ACHD	ACHP	ACHQ	ACHR	ACHS	ACHT	ACHU	ACHV	ACHW	ACHX	ACHY	AAUA
1984	1	30 392†	10 424†	4 100†	3 831	2 493†	1 538	5 209†	4 285†	4 991	445†	3 500	-1 478†
	2	30 914	10 543	4 187	3 879	2 477	1 577	5 204	4 466	5 010†	758	3 356	-1 786
	3	31 518	11 049	4 264	4 159	2 626	1 534	5 411	4 414	5 060	705	3 345	-1 694
	4	31 960	11 115	4 391	4 091	2 633	1 628	5 432	4 494	5 182	191	3 918	-1 136
1985	1	33 016	11 346	4 424	4 091	2 831	1 870	5 496	4 612	5 161	958	3 573	-1 134
	2	33 556	11 521	4 458	4 294	2 769	1 627	5 617	4 877	5 148	721	4 045	-1 278
	3	33 892	11 528	4 499	4 283	2 746	1 527	5 775	5 045	5 180	897	3 940	-382
	4	34 145	11 712	4 581	4 349	2 802	1 459†	5 723	5 132	5 169	757	4 193†	-549
1986	1	33 609	11 888	4 538	4 495	2 855	1 354	5 965	5 064	5 213	57	4 068	-340
	2	34 980	12 123	4 504	4 577†	3 042	1 501	6 173	5 309	5 564	545	3 765	-1 633
	3	35 758	12 162	4 525	4 606	3 031	1 407	6 239	5 411	5 583	819	4 137	-1 713
	4	36 020	12 436	4 601	4 737	3 098	1 371	6 347	5 395	5 643	787	4 041	-822
1987	1	36 765	12 440	4 688	4 676	3 076	1 589	6 424	5 435	5 499	781	4 597	-1 809

See footnotes on opposite page.

Current account of local authorities

TABLE 11

£ million

Receipts

		Total	Current grants from central government[1]	Rates[1]		Gross trading surplus[3]	Rent	Dividends and interest	Imputed charge for consumption of non-trading capital
				Cash receipts	Accruals adjustment[2]				
		ADAA	ACHJ	CSBF	ADDC	ADAD	ADAE	ADAF	ADAG
1980		26 567	13 240	8 575	-291	254	3 031	707	1 051
1981		31 056	15 201	10 521	-110	262	3 279	738	1 165
1982		33 614	16 190	12 211	-325	350	3 177	817	1 194
1983		36 179	18 704	12 277	12	362	2 882	748	1 216
1984		38 221	20 243	12 920†	-145†	418	2 831	696	1 258
1985		39 671†	20 658	13 634	-54	435	2 893†	765	1 340
1986		42 796	22 003†	15 731	-624	441	2 917	884	1 464
Unadjusted									
1984	1	9 786	5 378	1 553	1 539	103	694	207	312
	2	9 591†	5 103†	4 033†	-812†	105	703	145	314
	3	9 242	4 710	3 071	156	105	712	174	314
	4	9 602	5 052	4 263	-1 028	105	722	170	318
1985	1	10 208	5 565	1 563	1 684	107	732	234	323
	2	9 919	5 165	4 189	-734	109	719†	161	330
	3	9 552	4 752	3 314	131	109	720	189	337
	4	9 992	5 176	4 588	-1 135	110	722	181	350
1986	1	10 449	5 546	1 725	1 738	110	718	255	357
	2	11 057	5 799	4 823	-952	111	725	187	364
	3	10 473	5 158	3 983	-101	110	737	217†	369
	4	10 817	5 500	5 200	-1 309	110	737	205	374
1987	1	11 223	5 832	1 538	2 362	110†	752	250	379†
Seasonally adjusted									
		ADBA	ACHW	ADBB				ADBC	
1984	1	9 425	4 991	3 154		103	694	171	312
	2	9 456†	5 010†	3 150		105	703	174	314
	3	9 572	5 060	3 208		105	712	173	314
	4	9 768	5 182	3 263		105	722	178	318
1985	1	9 813	5 161	3 299		107	732	191	323
	2	9 872	5 148	3 374		109	719†	192	330
	3	9 964	5 180	3 427		109	720	191	337
	4	10 022	5 169	3 480		110	722	191	350
1986	1	10 123	5 213	3 515		110	718	210	357
	2	10 795	5 564	3 811		111	725	220	364
	3	10 883	5 583	3 865		110	737	219†	369
	4	10 995	5 643	3 916		110	737	215	374
1987	1	10 897	5 499	3 952†		110†	752	205	379†

1 The coverage of the figures from 1983 onwards differs from that for earlier periods because of the effects of the introduction of the new housing benefit scheme at the end of 1982.
2 Adjustments to accruals of rates for the quarter, as included in taxes on expenditure and in the adjustment to factor cost in Table 1.
3 Before providing for depreciation and stock appreciation.

Current account of local authorities

TABLE 11 (continued)

£ million

		Expenditure						
		Total current expenditure	Final consumption			Subsidies	Current grants to personal sector[1]	Debt interest	Balance: current surplus[2]
			Total	Education	Other				
		ADAH	CSBA	ADAI	ADAJ	ADAK	ADAL	ADAM	AAAE
1980		25 414†	19 034†	9 741	9 293†	1 042	1 105	4 233	1 153†
1981		28 267	21 580	10 982	10 598	1 148	1 142	4 397	2 789
1982		30 449	23 451	11 783	11 668	1 381	1 296	4 321	3 165
1983		33 860	25 273	12 530	12 743	1 467	3 181	3 939	2 319
1984		35 856	26 661	13 061	13 600	1 446	3 736†	4 013	2 365
1985		37 847	28 184	13 405	14 779	1 183†	4 060	4 420	1 824
1986		40 503	30 946	15 090†	15 856	1 087	4 229	4 241†	2 293
Unadjusted									
1984	1	9 054†	6 526†	3 208	3 318†	342	979	1 207	732†
	2	8 827	6 634	3 211	3 423	371	1 013†	809	764
	3	8 909	6 564	3 161	3 403	366	918	1 061	333
	4	9 066	6 937	3 481	3 456	367	826	936	536
1985	1	9 784	7 058	3 328	3 730	353	1 089	1 284	424
	2	9 240	6 976	3 368	3 608	276†	1 097	891	579
	3	9 338	6 893	3 274	3 619	274	989	1 182	214
	4	9 485	7 257	3 435	3 822	280	885	1 063	507
1986	1	10 267	7 548	3 724	3 824	281	1 124	1 314	182
	2	10 004	7 669	3 791	3 878	258	1 142	935	1 053
	3	10 001	7 696	3 712	3 984	273	1 035	997†	472
	4	10 231	8 033	3 863†	4 170	275	928	995	586
1987	1	10 725	8 064	3 867	4 197	288	1 204	1 189	498
Seasonally adjusted									
		ADBD	CSBK	ADBE			ADBF	ADBG	AAUE
1984	1	8 694†	6 483†	3 165	3 318†	342	890	979	731†
	2	8 922	6 640	3 217	3 423	371	921†	990	534
	3	8 925	6 624	3 221	3 403	366	947	988	647
	4	9 315	6 914	3 458	3 456	367	978	1 056	453
1985	1	9 405	7 013	3 283	3 730	353	1 000	1 039	408
	2	9 352	6 982	3 374	3 608	276†	1 012	1 062	520
	3	9 348	6 954	3 335	3 619	274	1 018	1 102	616
	4	9 742	7 235	3 413	3 822	280	1 030	1 197	280
1986	1	9 897	7 498	3 674	3 824	281	1 037	1 081	226
	2	10 118	7 676	3 798	3 878	258	1 058	1 126	677
	3	10 013	7 762	3 778	3 984	273	1 060	918†	870
	4	10 475	8 010	3 840†	4 170	275	1 074	1 116	520
1987	1	10 355	8 014	3 817	4 197	288	1 117	936	542

See footnotes on opposite page.

International transactions

TABLE 12

£ million

United Kingdom credits

	At current prices						Revalued at 1980 prices	
		Exports and property income from abroad			Current transfers			
	Total	Exports of goods[1]	Exports of services	Property income from abroad[2]	To personal sector	To central government	Exports of goods[1]	Exports of services
	CGPZ	CGJP	CGJZ	CGJS	CGJV	HDKD	CGTG	CGTH
1980	88 430	47 422	15 675	23 533	842	958	47 422	15 675
1981	107 617†	50 977	16 878†	37 137	956	1 669†	47 071	15 660†
1982	120 204	55 565	17 492	43 852†	1 134	2 161	48 318	14 954
1983	126 055	60 776	19 620	42 115	1 315	2 229	49 203	15 466
1984	147 350	70 367	21 521	51 641	1 428	2 393	53 337†	15 792
1985	158 460	78 111	24 196	52 789	1 511	1 873	56 273	16 895
1986	149 190	72 843†	25 035	47 540	1 537	2 135	58 379	16 951
Unadjusted								
1984 1	34 104†	16 856	4 745†	11 486†	350	667†	13 123†	3 534
2	34 558	16 840	5 114	11 966	355	283	12 919	3 794
3	37 167	16 702	6 206	13 549	359	351	12 639	4 592†
4	41 521	19 969	5 456	14 640	364	1 092	14 656	3 872
1985 1	41 176	19 985	5 448	14 810	369	564	14 001	3 768
2	40 353	20 220	5 969	13 511	375	278	14 276	4 188
3	38 256	17 936	6 950	12 447	381	542	13 189	4 913
4	38 675	19 970	5 829	12 001	386	489	14 807	4 026
1986 1	36 177	17 565	5 636	11 965	389	622	13 434	3 826
2	36 722	18 334	6 064	11 384	395	545	14 853	4 143
3	36 765	16 691	7 243	11 877	447	507	13 932	4 895
4	39 526	20 253†	6 092	12 314	406	461	16 160	4 087
1987 1	38 599	19 590	5 911	11 860	397†	841	15 313	3 943
Seasonally adjusted								
	CGQA	CGKG	CGKS	CGKL	CGKO	HHAH	CGTI	CGSG
1984 1	34 419†	16 693	5 207†	11 508†	350	661†	12 987†	3 884
2	34 704	16 855	5 257	11 890	355	347	12 919	3 887
3	37 314	17 628	5 357	13 615	359	355	13 369	3 927†
4	40 913	19 191	5 700	14 628	364	1 030	14 062	4 094
1985 1	41 785	20 081	5 921	14 855	369	559	14 070	4 127
2	40 458	20 192	6 129	13 421	375	341	14 246	4 276
3	38 129	18 703	6 001	12 498	381	546	13 774	4 221
4	38 088	19 135	6 145	11 995	386	427	14 183	4 271
1986 1	37 222	18 164	6 039	12 011	389	619	13 927	4 116
2	36 242	17 786	6 156	11 295	395	610	14 454	4 197
3	36 823	17 553	6 364	11 944	447	515	14 530	4 286
4	38 903	19 340†	6 476	12 290	406	391	15 468	4 352
1987 1	39 165	19 637	6 382	11 911	397†	838	15 406	4 269

1 On a balance of payments basis.
2 Net of foreign taxes.
3 Net of UK taxes.
4 Equal to the current balance in the balance of payments account.

International transactions

TABLE 12 (continued)

£ million

United Kingdom debits

	At current prices								Revalued at 1980 prices	
			Imports and property income paid abroad			Current transfers				
	Total	Total debits	Imports of goods[1]	Imports of services	Property income paid abroad[3]	From personal sector	From central government	Balance: net investment and capital transfers abroad[4]	Imports of goods[1]	Imports of services
	CGPZ	CGQB	CGGL	CGGZ	CGGK	CGGV	CGGJ	AIMG	CGTC	CGTD
1980	88 430	85 501	46 061	11 507	23 755	1 138	2 740	2 929	46 061	11 807
1981	107 617†	101 442†	47 617	13 058	36 188	1 298	3 281†	6 175†	44 339	12 062†
1982	120 204	116 140	53 234	14 888	42 781†	1 294	3 943	4 064	46 752	12 732
1983	126 055	122 741	61 611	15 969	39 534	1 463	4 164	3 314	50 511	12 262
1984	147 350	145 763	74 751	17 694	47 222	1 604	4 492	1 587	56 125†	12 433
1985	158 460	155 010	80 289	18 491†	49 376	1 648	5 206	3 450	58 042	12 844
1986	149 190	149 310	81 096	19 653	42 464	1 754	4 343	-120	61 670	13 096
Unadjusted										
1984 1	34 104†	33 420†	17 374	3 736	10 669†	396	1 245†	684†	13 604	2 697
2	34 558	35 342	18 425	4 386	11 054	401	1 076	-784	14 080	3 156†
3	37 167	37 117	18 205	5 259	12 252	405	996	50	13 513	3 678
4	41 521	39 884	20 747	4 313	13 247	402	1 175	1 637	14 928†	2 902
1985 1	41 176	41 863	21 787	4 213†	13 788	407	1 668	-687	14 899	2 752
2	40 353	39 317	20 636	4 583	12 655	407	1 036	1 036	14 576	3 123
3	38 256	36 834	18 462	5 340	11 238	414	1 380	1 422	13 746	3 787
4	38 675	36 996	19 404	4 355	11 695	420	1 122	1 679	14 821	2 982
1986 1	36 177	35 620	19 338	4 229	10 792	433	828	557	14 351	2 880
2	36 722	36 964	20 276	4 893	10 232	434	1 129	-242	15 517	3 323
3	36 765	37 708	19 629	6 026	10 343	439	1 271	-943	15 327	3 955
4	39 526	39 018	21 853	4 505	11 097	448	1 115	508	16 475	2 938
1987 1	38 599	38 412	21 223†	4 325	10 857	436†	1 771	187	15 658	2 788
Seasonally adjusted										
	CGQA	CGQC	CGHK	CGHU	CGHJ	CGHQ	CGHI	AIMF	CGTE	CGTF
1984 1	34 419†	33 174†	16 706	4 223	10 743†	396	1 106†	1 245†	13 084	3 077
2	34 704	35 013	18 124	4 394	10 989	401	1 105	-309	13 840	3 152
3	37 314	37 384	19 144	4 406	12 369	405	1 060	-70	14 231	3 051
4	40 913	40 192	20 777	4 671	13 121	402	1 221	721	14 970†	3 153†
1985 1	41 785	41 825	21 279	4 746†	13 876	407	1 517	-40	14 542	3 142
2	40 458	39 019	20 404	4 566	12 580	407	1 062	1 439	14 389	3 110
3	38 129	36 829	19 299	4 447	11 226	414	1 443	1 300	14 373	3 123
4	38 088	37 337	19 307	4 732	11 694	420	1 184	751	14 738	3 269
1986 1	37 222	36 158	19 391	4 822	10 836	433	676	1 064	14 382	3 328
2	36 242	36 079	19 337	4 947	10 206	434	1 155	163	14 833	3 325
3	36 823	37 585	20 426	4 950	10 436	439	1 334	-762	15 944	3 227
4	38 903	39 488	21 942	4 934	10 986	448	1 178	-585	16 511	3 216
1987 1	39 185	38 498	20 772†	4 972	10 899	436†	1 619	667	15 338	3 229

See footnotes on opposite page.

Summary capital account

TABLE 13

£ million

		Receipts												
		Saving[1]							Capital transfers (net)					
					Companies					Companies				
		Total	Total	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]	Residual error
		CJAW	CJAU	AAAU	AAAQ	AAAM	AAAI	AAXM	AAAV	AAAR	AAAN	AAAJ	GGCM	DJAS
1980		48 585	47 848†	24 347	17 466	3 485	4 142	-1 572†	292	428	-142	472	-1 048	737†
1981		51 049†	49 565	23 699†	18 453	3 507	5 456	-1 550	235	648	-407	532	-1 008	1 484
1982		51 722	52 864	24 809	18 592†	3 839	6 390	-786	568	633	-291	472	-1 382	-1 142
1983		57 846	58 244	23 952	24 720	4 820	7 486	-2 734	1 293	484	-232	606	-2 151	-398
1984		62 172	66 641	27 000	31 315	6 069†	5 986†	-3 729	1 572	346	-217	571	-2 272	-4 469
1985		67 178	70 386	27 171	32 100	7 462	5 172	-1 519	593†	390	-355	621	-1 249†	-3 208
1986		67 167	72 126	27 602	32 180	8 826	5 533	-2 215	116	528†	-478†	552†	-716	-4 959
Unadjusted														
1984	1	16 063†	17 117†	7 454†	6 830†	785†	1 934	114†	539	107	-93	208	-761	-1 054
	2	13 208	15 361	7 203	7 846	1 608	1 492†	-2 788	335	59	-26	112	-480	-2 153†
	3	15 162	16 161	6 174	8 021	1 932	858	-824	374	94	-37	118	-549	-999
	4	17 739	18 002	6 169	8 618	1 744	1 702	-231	324	86	-61	133	-482	-263
1985	1	17 038	17 674	7 644	7 316	1 693	977	44	209	152	-143	203	-421	-636
	2	15 769	17 875	8 681	9 008	1 450	1 304	-2 568	157†	36	-57	113	-249†	-2 106
	3	17 024	17 323	6 092	7 957	1 992	1 042	240	220	93	-60	150	-403	-299
	4	17 347	17 514	4 754	7 819	2 327	1 849	765	7	109	-95	155	-176	-167
1986	1	17 638	18 349	8 063	6 019	1 586	1 614	1 067	55	126	-199	186	-188	-711
	2	14 885	17 331	8 920	7 271	2 119	1 329	-2 308	-5	128†	-69	92†	-146	-2 446
	3	15 736	17 346	6 464	10 164	2 093	880	-2 255	166	146	-74	135	-373	-1 610
	4	18 908	19 100	4 355	8 726	3 028	1 710	1 281	-100	126	-136†	139	-29	-192
1987	1	18 892	20 150	9 329	7 099	2 303	1 200	219	-129	152	-289	203	63	-1 258
Seasonally adjusted														
		CJBL	CJBJ	AAUU	AAUQ	AAUM	AAUI	AAXZ	AAUV	AAUR	AAUN	AAUJ	GGCN	DJDS
1984	1	15 558†	16 019†	6 363†	7 380†	1 270†	1 753	-747†	494	78	-38	158	-692	-461
	2	14 377	15 374	6 025	7 498	1 494	1 609†	-1 252	414	96	-63	139	-586	-997†
	3	15 125	17 010	6 381	8 748	1 514	1 416	-1 047	347	98	-60	137	-522	-1 885
	4	17 112	18 238	8 231	7 691	1 791	1 208	-683	317	74	-56	137	-472	-1 126
1985	1	16 545	16 709	6 372	8 383	1 986	714	-726	214	120	-72	145	-407	-164
	2	16 939	18 043	7 280	8 445	1 612	1 464	-758	211†	58	-95	142	-316†	-1 104
	3	17 033	18 218	6 217	8 295	1 823	1 649	234	153	106	-93	178	-344	-1 185
	4	16 661	17 416	7 302	6 977	2 061	1 345	-269	15	106	-95	156	-182	-755
1986	1	17 024	17 440	6 865	7 215	2 149	1 325	-114	93	98	-81	126	-236	-416
	2	16 077	17 332	7 311	7 486	1 986	1 505	-956	36	148†	-122	122†	-184	-1 255
	3	16 096	18 142	6 591	9 034	1 924	1 436	-843	87	158	-123	164	-286	-2 046
	4	17 970	19 212	7 035	8 445	2 767	1 267	-302	-100	122	-152†	140	-10	-1 242
1987	1	18 304	19 282	8 253	8 768	2 353	1 175	-1 267	-78	124	-156	140	-29	-978

1 Before providing for depreciation, stock appreciation and additions to reserves.
2 Excluding financial transactions on the writing-off of debt.
3 Gross domestic fixed capital formation plus the increase in book value of stocks and work in progress.
4 Equals, apart from the change in sign, the financial surplus or deficit of the oversees sector.
5 This balance is equal to saving plus capital transfers less gross capital formation.

Summary capital account

TABLE 13 (continued)

£ million

		Expenditure							Financial surplus or deficit[5]				
		Gross capital formation[3]											
					Companies					Companies			
		Total	Total	Personal sector	Industrial and commercial	Financial	Public corporations	General government	Net investment abroad[4]	Personal sector	Industrial and commercial	Financial	Public corporations[2]	General government[2]
		CJAW	GGCO	GGCP	GGCQ	GGCR	GGCS	GGCT	AABI	AABH	AABG	AABF	AABD	AABC
1980		48 585	45 656	9 860	17 827	5 189	7 231	5 549	2 929	14 779	65	-1 866	-2 617	-8 169†
1981		51 049†	44 874†	10 308†	17 417†	5 520†	7 165	4 464†	6 175†	13 626†	1 684†	-2 420†	-1 177	-7 022
1982		51 722	47 658	12 292	17 246	6 026	7 803	4 291	4 064	13 085	1 979	-2 478	-941	-6 439
1983		57 846	54 532	14 980	20 049	5 265	8 273	5 965	3 314	10 265	5 155	-677	-181	-10 850
1984		62 172	60 885	15 530	24 280	6 924	7 193	6 358	1 587	12 742	7 381	-1 072	-636†	-12 359
1985		67 178	63 728	16 851	25 901	7 936	5 953	7 087	3 450	10 913	6 589	-829	-160	-9 855
1986		67 167	67 287	19 921	27 397	7 243	5 394†	7 332	-120	7 997	5 309	1 105	691	-10 263
Unadjusted														
1984	1	16 063†	15 379†	3 648†	6 164†	1 428†	1 855	2 284†	684†	4 345†	773†	-738†	287	-2 931†
	2	13 208	13 992	3 984	5 892	1 507	1 573	1 036	-784	3 554	2 013	75	31†	-4 304
	3	15 162	15 112	4 174	5 759	1 761	1 844	1 574	50	2 374	2 356	134	-868	-2 947
	4	17 739	16 102	4 024	6 465	2 228	1 921	1 464	1 637	2 469	2 239	-545	-86	-2 177
1985	1	17 038	17 725	3 794	7 274	2 513	1 701	2 443	-687	4 059	194	-963	-521	-2 820
	2	15 769	14 733	4 308	6 485	1 378	1 321	1 241	1 036	4 530	2 559	15	96	-4 058
	3	17 024	15 602	4 311	6 154	1 812	1 607	1 718	1 422	2 001	1 896	120	-415	-1 881
	4	17 347	15 668	4 438	5 988	2 233	1 324	1 685	1 679	323	1 940	-1	680	-1 096
1986	1	17 638	17 081	4 157	6 658	1 981	1 379†	2 906	557	3 961	-513	-594	421	-2 007
	2	14 885	15 127	4 823	6 283	1 571	1 243	1 207	-242	4 092	1 116	479	178	-3 661
	3	15 736	16 679	5 514	6 649	1 580	1 390	1 546	-943	1 116	3 661	439	-375	-4 174
	4	18 908	18 400	5 427	7 807	2 111	1 382	1 673	508	-1 172	1 045	781	467	-421
1987	1	18 892	18 705	4 977	8 394	1 958	1 260	2 116	187	4 223	-1 143	56	143	-1 834
Seasonally adjusted														
		CJBL	GGCU	GGCV	GGCW	GGCX	GGCY	GGCZ	AAVI	AAVH	AAVG	AAVF	AAVD	AAVC
1984	1	15 558†	14 313†	3 920†	5 609†	1 455†	1 786	1 543†	1 245†	2 937†	1 849†	-223†	125	-2 982†
	2	14 377	14 686	3 896	5 862	1 700	1 668	1 560	-309	2 543	1 732	-269	80†	-3 398
	3	15 125	15 195	4 005	5 759	1 871	1 866	1 694	-70	2 723	3 085	-417	-313	-3 263
	4	17 112	16 391	4 009	7 050	1 898	1 873	1 561	721	4 539	715	-163	-528	-2 716
1985	1	16 545	16 885	4 068	6 652	2 502	1 681	1 684	-40	2 520	1 851	-608	-822	-2 817
	2	16 939	15 500	4 242	6 498	1 579	1 408	1 773	1 439	3 249	2 005	-62	198	-2 847
	3	17 033	15 733	4 125	6 226	1 951	1 595	1 836	1 300	2 245	2 175	-221	232	-1 946
	4	16 661	15 910	4 418	6 525	1 904	1 269	1 794	751	2 899	558	62	232	-2 245
1986	1	17 024	15 960	4 530	6 072	1 947	1 344†	2 067	1 064	2 428	1 241	121	107	-2 417
	2	16 077	15 914	4 751	6 220	1 804	1 340	1 799	163	2 596	1 414	60	287	-2 939
	3	16 096	16 883	5 259	6 839	1 705	1 382	1 673	-762	1 419	2 353	96	218	-2 802
	4	17 970	18 555	5 381	8 266	1 787	1 328	1 793	-585	1 554	301	828	79	-2 105
1987	1	18 304	17 637	5 446	7 780	1 909	1 225	1 277	667	2 728	1 112	288	90	-2 573

See footnotes on opposite page.

Gross domestic fixed capital formation by sector and type of asset

TABLE 14

£ million

		Total	Private sector[1]	General government[1]	Public corporations[1]	Vehicles, ships and aircraft	Plant and machinery	Dwellings		Other new building and works[2]
								Private	Public	
At current prices		DFDC	DFDG	AAYE	AAAK	DFEJ	DFCX	DFDF	DFDH	DFCT
1980		41 774	29 641	5 498	6 635	4 577	14 978	6 116	2 559	13 544
1981		41 617†	30 347†	4 543†	6 727	3 841	15 081†	6 174	1 958	14 563†
1982		44 619	33 353	4 223	7 043	4 292†	16 385	6 429	2 071	15 442
1983		48 780	35 306	5 650	7 824	4 524	17 976	7 529	2 692	16 059
1984		55 560	41 657	6 511	7 392	5 695	20 402	9 043	2 745	17 675
1985		60 054	47 785	6 551	5 718	6 595	23 333	9 488	2 527	18 111
1986		64 353	51 547	7 326	5 480†	6 358	24 272	11 568†	2 675†	19 480
Unadjusted										
1984	1	13 659†	9 076†	2 347†	2 236	1 468†	4 863†	1 764	994	4 570†
	2	12 699	9 945	1 056	1 698	1 153	4 621	2 365	494	4 066
	3	13 960	10 674	1 533	1 753	1 409	5 043	2 460	629	4 419
	4	15 242	11 962	1 575	1 705	1 665	5 875	2 454	628	4 620
1985	1	15 911	11 839	2 243	1 829	2 227	6 268	1 861	949	4 606
	2	13 270	10 934	1 069	1 267	1 372	4 887	2 463	434	4 114
	3	14 791	11 857	1 582	1 352	1 490	5 608	2 518	570	4 605
	4	16 082	13 155	1 657	1 270	1 506	6 570	2 646	574	4 786
1986	1	16 449	11 989	2 771	1 689†	1 726	6 452	2 024†	1 060†	5 187
	2	14 537	12 099	1 245	1 193	1 437	5 434	2 969	440	4 257
	3	16 118	13 226	1 611	1 281	1 499	5 816	3 290	551	4 962
	4	17 249	14 233	1 699	1 317	1 696	6 570	3 285	624	5 074
1987	1	16 912	13 008	2 408	1 498	1 740	6 380	2 568	1 009	5 215
Revalued at 1980 prices		DFDM	DFDQ	DFDS	DFCZ	DFEH	DFCY	DFDP	DFDR	DFCU
1980		41 774	29 641	5 498	6 635	4 577	14 978	6 116	2 559	13 544
1981		37 821†	27 738†	4 038†	6 045	3 550†	13 902†	5 454	1 720	13 195†
1982		39 377	29 483	3 760	6 134	3 654	14 120	5 457	1 827	14 319
1983		41 712	29 967	5 145	6 600	3 750	14 772	6 075	2 342	14 773
1984		45 472	33 686	5 761	6 025	4 373	16 066	6 616	2 251	16 166
1985		46 331	36 210	5 591	4 530†	4 688	17 413	6 415	1 994	15 821
1986		46 871	36 561	6 116	4 194	4 194	17 308	7 329†	2 054†	15 986
Unadjusted										
1984	1	11 451†	7 525†	2 092†	1 834	1 161†	3 897†	1 381	829	4 203†
	2	10 547	8 207	944	1 396	903	3 665	1 782	408	3 789
	3	11 305	8 523	1 355	1 427	1 072	3 933	1 757	512	4 031
	4	12 169	9 431	1 370	1 368	1 237	4 571	1 716	502	4 143
1985	1	12 598	9 236	1 919	1 443†	1 622	4 804	1 304	755	4 113
	2	10 311	8 361	932	1 018	994	3 664	1 672	344	3 637
	3	11 336	8 921	1 343	1 072	1 036	4 135	1 697	449	4 019
	4	12 086	9 692	1 397	997	1 036	4 810	1 742	446	4 052
1986	1	12 351	8 762	2 285	1 304	1 159	4 663	1 340†	825†	4 364
	2	10 595	8 634	1 051	910	953	3 889	1 903	339	3 511
	3	11 608	9 264	1 359	985	984	4 112	2 089	421	4 022
	4	12 317	9 901	1 421	995	1 098	4 644	2 017	469	4 089
1987	1	12 089	8 974	1 978	1 137	1 085	4 481	1 561	753	4 209
Seasonally adjusted		DECU	DFEB	DFED	DFDA	DEBP	DEBO	DFEA	DFEC	DFCV
1984	1	11 002	7 940†	1 446†	1 616	1 045†	3 773†	1 615	588	3 981†
	2	11 376	8 456	1 403	1 517	995	3 991	1 709	558	4 123
	3	11 541	8 564	1 459	1 518	1 134	4 139	1 685	566	4 017
	4	11 553	8 726	1 453	1 374	1 199	4 163	1 607	539	4 045
1985	1	12 119	9 578	1 286	1 255†	1 455	4 632	1 574	526	3 932
	2	11 171	8 658	1 378	1 135	1 121	4 024	1 590	480	3 956
	3	11 567	8 988	1 441	1 138	1 109	4 357	1 621	503	3 977
	4	11 474	8 986	1 486	1 002	1 003	4 400	1 630	485	3 956
1986	1	11 880	9 121	1 628	1 131	1 032	4 461	1 654†	593†	4 140
	2	11 486	8 951	1 521	1 014	1 083	4 262	1 813	479	3 849
	3	11 796	9 285	1 462	1 049	1 037	4 303	1 975	472	4 009
	4	11 709	9 204	1 505	1 000	1 042	4 282	1 887	510	3 988
1987	1	11 666	9 335	1 371	960	917	4 247	1 928	513	4 061

1 Including purcheses less sales of land and existing buildings.
2 Including transfer costs of land and buildings.

Gross domestic fixed capital formation by industry group

TABLE 15

£ million

	Total	Extraction of mineral oil and natural gas	All other energy and water supply	Manufacturing (revised definition)[1] [2]	Distribution, hotels and catering; repairs	Transport and communication	Financial and business services etc.	Other industries and services[3]	Dwellings	Transfer costs of land and buildings
At current prices										
	DFDC	DFDE	DFEK	DFDD	DFDJ	DFDI	DFEL	DFEM	DFDK	DFBH
1980	41 774	2 399	3 290	6 478	3 239	3 879	5 690	6 450	8 675	1 674
1981	41 617†	2 891	3 687	5 318	3 225	3 359	6 557†	6 482†	8 132	1 966
1982	44 619	3 030	3 796	5 480	3 579	3 212	7 220	7 541	8 500	2 261
1983	48 780	2 894	4 158	5 854	3 774	3 674	7 449	8 038	10 221	2 718
1984	55 560	3 118	3 659	7 341	4 511	4 516	8 923	8 805	11 788	2 899
1985	60 054	2 777	3 854†	7 950	5 189	5 145†	10 788	9 230	12 015	3 106
1986	64 353	2 544	4 117	8 368†	5 673†	5 181	10 773	9 806	14 243†	3 648
Unadjusted										
1984 1	13 659†	705	1 050	1 682	1 026	1 109	1 922†	2 704†	2 758	703
2	12 699	886	826	1 663	1 014	907	2 062	1 796	2 859	686
3	13 960	773	869	1 803	1 206	1 112	2 240	2 112	3 089	756
4	15 242	754	914	2 193	1 265	1 388	2 699	2 193	3 082	754
1985 1	15 911	622	1 082	1 922	1 225	1 691	3 130	2 744	2 810	685
2	13 270	708	856	1 771	1 176	1 063†	2 146	1 890	2 897	761
3	14 791	748	945†	1 922	1 370	1 152	2 486	2 245	3 088	835
4	16 082	699	969	2 335	1 418	1 239	3 026	2 351	3 220	825
1986 1	16 449	549	1 211	2 053	1 272	1 440	2 998	3 100	3 084†	742
2	14 537	667	862	1 922	1 320	1 082	2 426	2 014	3 409	835
3	16 118	713	975	2 047	1 453	1 287	2 441	2 335	3 841	1 026
4	17 249	615	1 069	2 346†	1 628†	1 372	2 908	2 357	3 909	1 045
1987 1	16 912	469†	1 212	2 130	1 393	1 315	2 920	2 985	3 577	931†
Revalued at 1980 prices										
	DFDM	DFDO	DFEN	DFDN	DFDU	DFDT	DFEO	DFEP	DFDV	DFDW
1980	41 774	2 399	3 290	6 478	3 239	3 879	5 690	6 450	8 675	1 674
1981	37 821†	2 680†	3 311	4 865	2 972	3 042	6 108†	5 884†	7 174	1 785
1982	39 377	2 763	3 283	4 704	3 180	2 777	6 583	6 763	7 284	2 040
1983	41 712	2 584	3 457	4 780	3 284	3 068	6 777	7 138	8 417	2 207
1984	45 472	2 798	2 941	5 762	3 783	3 572	7 724	7 701	8 867	2 324
1985	46 331	2 335	2 995†	5 852	4 109	3 875†	8 773	7 674	8 409	2 309
1986	46 871	2 000	3 093	5 844†	4 263†	3 728	8 399	7 786	9 383†	2 375
Unadjusted										
1984 1	11 451†	635†	848	1 347	871	896	1 704†	2 399†	2 190	581
2	10 547	799	670	1 316	865	730	1 831	1 581	2 190	565
3	11 305	695	700	1 405	1 009	872	1 913	1 839	2 269	603
4	12 169	669	723	1 694	1 038	1 074	2 276	1 882	2 218	595
1985 1	12 598	546	850†	1 456	987	1 258	2 569	2 335	2 059	538
2	10 311	609	671	1 318	945	815†	1 777	1 585	2 016	575
3	11 336	624	727	1 405	1 088	865	2 020	1 850	2 146	611
4	12 086	556	747	1 673	1 089	937	2 407	1 904	2 188	585
1986 1	12 351	447	916	1 447†	963	1 053	2 352	2 491	2 165†	517
2	10 595	526	648	1 348	1 001	777	1 906	1 596	2 242	551
3	11 608	551	731	1 421	1 087†	926	1 901	1 847	2 490	654
4	12 317	476	798	1 628	1 212	972	2 240	1 852	2 486	653
1987 1	12 089	368	894	1 455	1 024	937	2 206	2 316	2 314	575†
Seasonally adjusted										
	DECU	DFDZ	DFEQ	DECV	DFEF	DFEE	DFER	DFES	DFEG	DECX
1984 1	11 002†	715	742	1 384	909	806	1 664†	1 982†	2 203	597
2	11 376	733	746	1 425	924	821	1 999	1 889	2 267	572
3	11 541	682	727	1 449	982	946	2 019	1 909	2 251	576
4	11 553	668	726	1 504	968	999	2 042	1 921	2 146	579
1985 1	12 119	634	746†	1 500	1 032	1 185	2 443	1 907	2 100	572
2	11 171	550	743	1 423	1 005	920†	1 976	1 900	2 070	584
3	11 567	610	756	1 447	1 049	925	2 158	1 915	2 124	583
4	11 474	541	750	1 482	1 023	845	2 196	1 952	2 115	570
1986 1	11 880	522†	821	1 482	1 007†	975	2 244	2 031	2 247†	551
2	11 486	470	717	1 456	1 067	879	2 106	1 938	2 292	581
3	11 796	544	760	1 463	1 051	989	1 998	1 919	2 447	625
4	11 709	464	795	††1 443	1 138	885	2 051	1 898	2 397	638
1987 1	11 866	440	795	1 490	1 077	833	2 073	1 906	2 441	611†

1 Further details are given in the Monthly Digest of Statistics.
2 Direct investment only; capital expenditure on assets obtained on financial lease is classified, on the basis of ownership, to the finance industry.
3 Covers agriculture, forestry and fishing, construction and other service industries.

Value of physical increase in stocks and work in progress

TABLE 16

£ million

	At current prices						Revalued at 1980 prices					
				Distributive trades						Distributive trades		
	All industries	Energy and water supply	Manufacturing (revised definition)[1]	Wholesale[2]	Retail[3]	Other industries	All industries	Energy and water supply	Manufacturing (revised definition)[1]	Wholesale[2]	Retail[3]	Other industries
Book values end-December 1985	90 044	6 072	41 776	13 306	10 150	18 740	66 844	3 738	31 173	9 586	7 622	14 725
	DHBF	DHBU	DHBA	DHBG	DHBE	DHBW	DHBK	DHBS	DHBH	DHBL	DHBJ	DHBV
1980	-2 844	202	-2 321	-392	-433	100	-2 844	202	-2 321	-392	-433	100
1981	-2 766†	-486	-1 565	-260	190†	-665	-2 439†	-371	-1 516	-218	182†	-516
1982	-1 290	-31	-1 291	-66	1	99	-1 084	32	-1 113	-5	12	-10
1983	646	-134	-204	-21	-35	1 040	680	-12	-132	-37	-9	870
1984	-369	-1 109	318	-67	465	34	-36	-797	301	-20	397	83
1985	383	-36	-651	-264	245	1 089†	503	23	-485	-157	204	918†
1986	653	-397†	-446†	40†	750	706	635	-79†	-345†	75†	583	401
Unadjusted												
1984 1	171†	-593	323	135	244†	82	225†	-451	266	115	207†	88
2	-143	-126	115	-210	-37	115	-100	-109	95	-155	-5	74
3	270	-26	-156	408	-86	129	179	-19	-129	315	-72	84
4	-657	-364	36	-401	344	-272	-340	-218	69	-295	267	-163
1985 1	-177	-343	-51	20	-38	235	-34	-198	-61	37	-13	201
2	1 070	-9	530	1	76	472	820	-4	394	-22	64	388
3	416	95	-409	196	183	351	376	72	-291	159	130	306
4	-926	221	-721	-481	24	311†	-659	153	-527	-331	23	23†
1986 1	405	-599†	11	545	170	278	472	-325†	10	386	138	263
2	196	-183	317	-392	156	278	178	21	212	-271	133	83
3	151	173	-468	93	184	189	110	91	-321	90	128	122
4	-99	192	-306†	-206†	240	-19	-125	134	-246†	-130†	184	-67
1987 1	525	-343	492	270	47	58	214	-228	323	187	45	-113

£ million,1980 prices

	All industries	Energy and water supply	Manufacturing (revised definition)[1,4]				Distributive trades		Other industries
			Total	Materials and fuel	Work in progress	Finished goods	Wholesale[2]	Retail[3]	
	DGBA	DHBQ	DHBM	DGAX	DGAY	DGAW	DHBO	DHBN	DHBR
1980	-2 844	202	-2 321	-1 251	-714	-357	-392	-433	100
1981	-2 439†	-371	-1 516	-993	-48	-476	-218	182†	-516
1982	-1 084	32	-1 113	-485	-472	-157	-5	12	-10
1983	680	-12	-132	-256	181	-57	-37	-9	870
1984	-36	-797	301	21	109	171	-20	397	83
1985	503	23	-485	-125	-289	-71	-157	204	918†
1986	636	-79†	-345†	-132†	-112†	-101†	75†	583	401
Seasonally adjusted									
1984 1	207†	-252	105	-24	62	67	24	146†	184
2	-419	-238	-59	5	54	-119	-73	48	-97
3	-167	-167	105	49	3	54	32	-96	-41
4	343	-140	150	-9	-10	169	-3	299	37
1985 1	-44	-30	-216	-8	-153	-55	-60	-51	313
2	493	-97	215	-42	27	230	74	101	200
3	89	-56	-21	14	72	-106	-133	120	179
4	-35	206	-463	-89	-235	-138	-38	34	226†
1986 1	518	-106†	-176†	31	-111†	-94†	309	107	384
2	-180	-104	89	-23	13	78	-185	168	-128
3	-168	-48	-50	-18	13	-45	-197	132	-5
4	465	179	-188	-122†	-27	-41	148†	176	150
1987 1	326	-27	196	68	219	-90	119	18	22

1 Further details are given in the Monthly Digest of Statistics.
2 Excluding wholesale distribution of motor vehicles, parts and accessories.
3 Excluding retail distribution of motor vehicles and parts, and filling stations.
4 Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

National accounts aggregates[1]

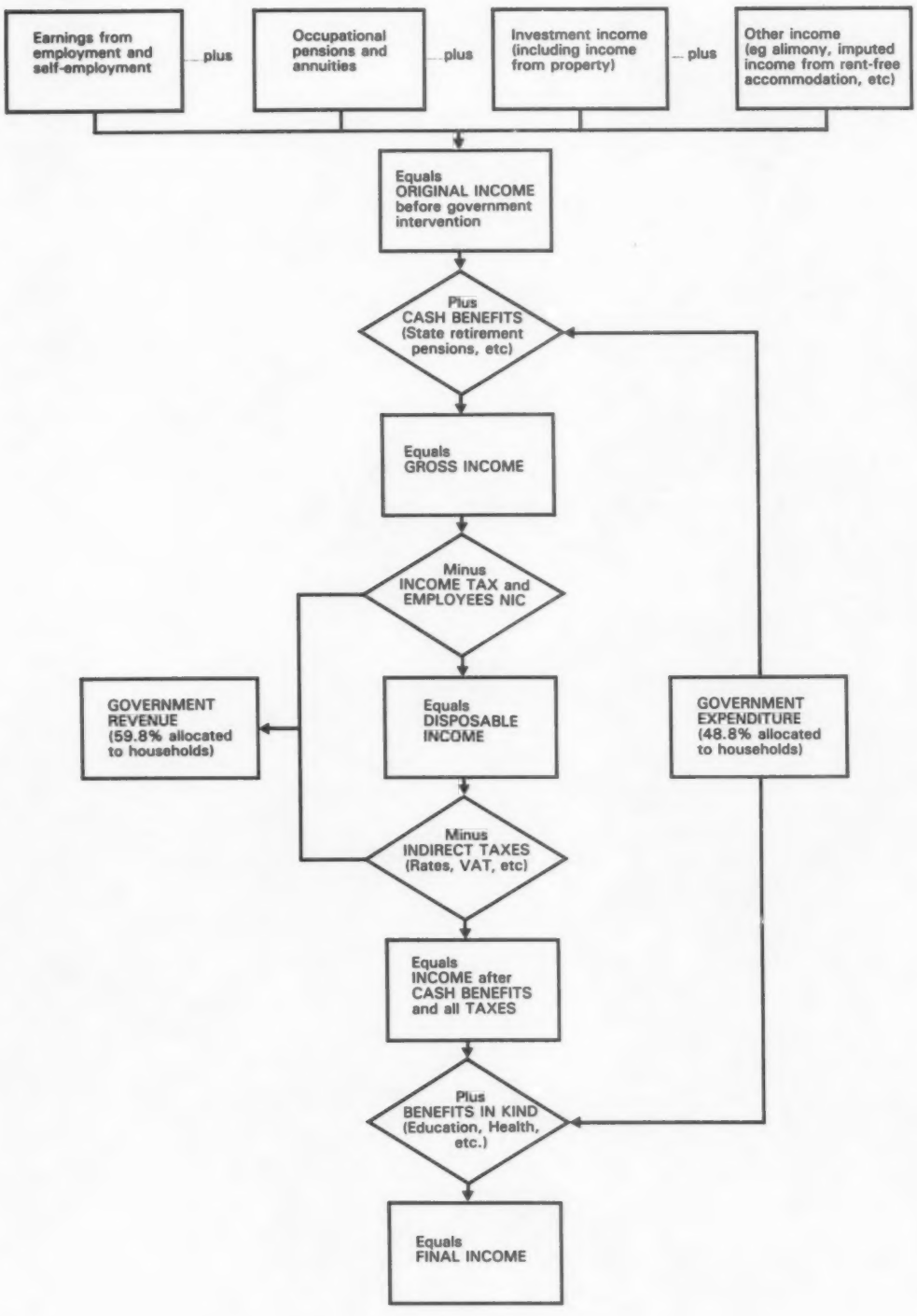
TABLE 17

		Gross domestic product (average estimates)[2]							
		£ billion				Index numbers : 1980=100			
				1980 prices				1980 prices	
		At current market prices	At current factor cost	At constant market prices	At constant factor cost	At current market prices	At current factor cost	At constant market prices	At constant factor cost
		CAOB	CAOM	CAOO	CAOP	DJCL	CAON	FNAO	DJDD
1980		230.1†	199.3	230.1†	199.3	100.0	100.0	100.0	100.0
1981		253.1	217.1†	227.0	196.9	110.0	108.9	98.7	98.8
1982		276.5	235.7	230.3	199.9	120.2	118.2†	100.1	100.3
1983		300.3	257.5	238.2	208.7	130.6	129.2	103.5	103.7
1984		321.9	277.1	245.1	212.5†	139.9	139.0	106.6	106.6
1985		353.1	303.9	253.6	219.9	153.5†	152.5	110.3	110.3†
1986		376.5	321.0	261.2	226.0	163.6	161.0	113.6†	113.4
Seasonally adjusted									
1984	1	78.7	67.7	60.9†	52.8	136.9	135.9	105.9†	106.0†
	2	79.2	68.2	60.8	52.6	137.8†	137.0†	105.7	105.6
	3	80.9	69.6	61.4	53.3	140.7	139.7	106.7	106.9
	4	83.0	71.6†	62.1	53.8	144.4	143.6	108.0	108.0
1985	1	85.1†	73.5	62.8	54.5†	148.0	147.6	109.2	109.3
	2	87.8	75.5	63.5	55.1	152.6	151.6	110.4	110.6
	3	89.1	76.5	63.6	55.1	154.9	153.5	110.6	110.5
	4	91.2	78.3	63.7	55.2	158.6	157.2	110.8	110.8
1986	1	91.9	78.8	64.6	56.1	159.8	158.1	112.3	112.5
	2	93.0	79.3	65.0	56.2	161.7	159.1	113.0	112.8
	3	94.9	80.7	65.5	56.6	165.0	162.0	114.0	113.6
	4	96.7	82.2	66.2	57.2	168.1	165.0	115.0	114.7
1987	1	98.1	84.0	66.9	57.9	170.7	168.5	116.3	116.2

1 These estimates are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
2 The calculation of GDP(A) is slightly complicated because of the different forms in which GDP(E), GDP(I) and GDP(O) are naturally estimated. Information on the calculations used is given in United Kingdom National Accounts : Sources and Methods, Third edition (Studies in Official Statistics No 37, HMSO 1985)

CHART 1

Stages of redistribution


Earnings from employment and self-employment
plus
Occupational pensions and annuities
plus
Investment income (including income from property)
plus
Other income (eg alimony, imputed income from rent-free accommodation, etc)
Equals ORIGINAL INCOME before government intervention
Plus CASH BENEFITS (State retirement pensions, etc)
Equals GROSS INCOME
Minus INCOME TAX and EMPLOYEES NIC
GOVERNMENT REVENUE (59.8% allocated to households)
Equals DISPOSABLE INCOME
GOVERNMENT EXPENDITURE (48.8% allocated to households)
Minus INDIRECT TAXES (Rates, VAT, etc)
Equals INCOME after CASH BENEFITS and all TAXES
Plus BENEFITS IN KIND (Education, Health, etc.)
Equals FINAL INCOME

THE EFFECTS OF TAXES AND BENEFITS ON HOUSEHOLD INCOME 1985

Summary of main results

During 1985 the Government raised and spent £158 billion. Directly or indirectly most of this revenue was raised from UK households and the expenditure benefits households; although greater equality of incomes is not necessarily a primary aim of this process, it is nevertheless one of its consequences. For any one household it is most unlikely that in any one year payments will exactly balance with benefits; the aim of this article is to examine how the balance varies by income level and by other household characteristics. This is the latest in a series of articles published in Economic Trends since the early 1960's (see Appendix 1 paragraph 38 for list of references). New material in this year's article gives a comparison of the effects of three different equivalence scales on the results.

The main results are:

(i) The effect of the tax-benefit system as a whole is to reduce the differences in income amongst households. In 1985 taxes and benefits increased the share of total income of the bottom 20 per cent of households from 0.3 per cent to 6.7 per cent. Cash benefits play the largest part in reducing income dispersion.

(ii) The joint impact of taxes and benefits is greatest for retired households and for those non-retired households containing no economically active people.

(iii) Between 1975 and 1985, the distribution of income before taxes and benefits became more unequal, though growth in cash benefits helped to offset this trend.

(iv) The 20 per cent of households with the lowest incomes now rely almost entirely on cash benefits. Increasing numbers of households with children now appear in this group compared with 1975, and a decreasing number of retired households.

(v) When incomes are adjusted to remove variations in size and composition of households by using 'equivalence scales', this has the effect of smoothing differences in incomes. The application of 'equivalence scales' has a substantial impact on the distribution of incomes amongst households in reducing dispersion, but there is little difference in effect between the three different scales in common use.

Introduction

This article expands on the summary of results published in Economic Trends in November 1986. Its contents are as follows:

Part I Detailed description of results for 1985 for all households and for retired and non-retired households separately.

Part II Results for the period 1975-1985: changes in government revenue and expenditure and their impact on households.

Part III Adjusting income for household composition: the effect of adjusting incomes to a 'per equivalent adult' basis.

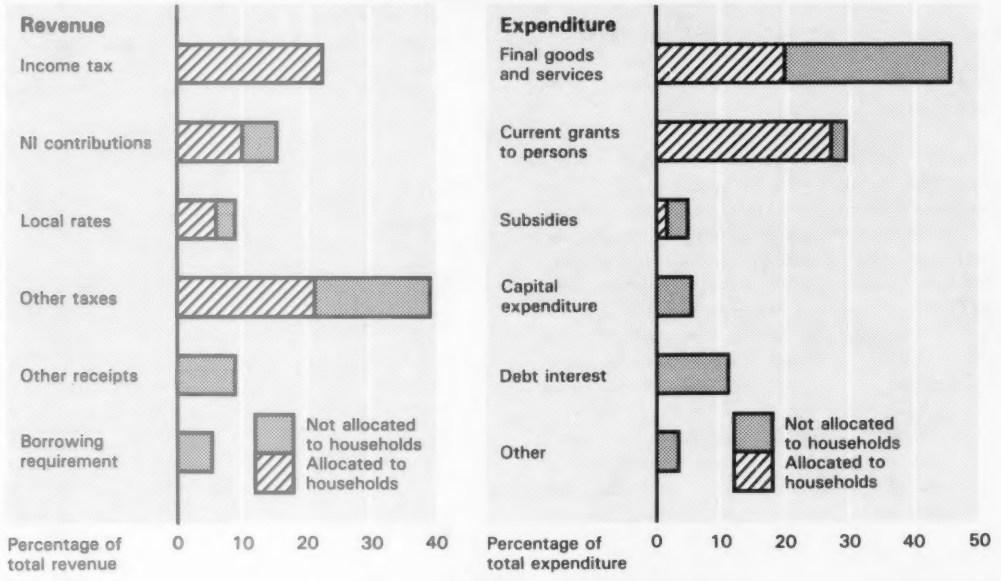
Appendix 1 Methodology and Definitions.

Appendix 2 Trends in government financing and expenditure 1975-1985: background tables for Part II.

The usual detailed tables appeared in the Appendix to the November 1986 article and are not reproduced here.

Chart 1 illustrates the stages of redistribution which form the

CHART 2
Allocated and unallocated items of government revenue and expenditure, 1985



Summary of the effects of taxes and benefits, 1985

TABLE A

	Quintile groups of households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	120	2 720	7 780	12 390	22 330	9 070
plus cash benefits	3 260	2 570	1 200	790	670	1 700
Gross income	3 380	5 300	8 980	13 170	23 000	10 770
less income tax[1] and employees' NIC	-10[2]	360	1 460	2 560	5 300	1 930
Disposable income	3 390	4 940	7 530	10 610	17 700	8 830
less indirect taxes	790	1 420	2 050	2 640	3 840	2 150
Income after cash benefits and all taxes	2 590	3 520	5 480	7 970	13 860	6 680
plus benefits in kind	1 370	1 400	1 440	1 490	1 590	1 460
Final income	3 960	4 920	6 920	9 460	15 450	8 140
Percent that are public sector tenants	*62*	*34*	*26*	*15*	*7*	*29*
Average per household (number)						
Children (i.e. aged under 16)	0.4	0.4	0.8	0.8	0.6	0.6
Adults	1.4	1.7	2.0	2.2	2.7	2.0
People in full-time education	0.3	0.3	0.6	0.7	0.7	0.5
Economically active people	0.1	0.6	1.3	1.8	2.2	1.2
Retired people	0.8	0.8	0.2	0.1	0.1	0.4

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Negative average tax payment results largely from imputed tax relief on life assurance premiums paid by those with nil or negligible tax liabilities.

structure of this analysis. Initially, households receive income from various non-governmental sources: from their employment (wages and salaries; self-employment income); from occupational pensions; from their investments; from other households (eg gifts and alimony payments) and from private non-profit-making institutions such as charities. Total income from these sources constitutes original income. The flow chart shows the various ways in which Government then raises revenue from households and distributes benefits to them both in cash and in kind.

It is not possible to allocate the whole of government revenue and expenditure to households (Chart 2). For some items, such as the Government Borrowing Requirement, such an allocation would be inappropriate; for others, the data required to do so are not available, for example expenditure on personal social services. In all, 60 per cent of government financing (including the Borrowing Requirement) and 49 per cent of expenditure are allocated to households in this analysis. Since the total amount of revenue allocated exceeds the total amount of benefits, less significance should be attached to the exact figures of cash 'gains' and 'losses' than to the broad patterns of redistribution, particularly in the middle income ranges.

The main source of data for this analysis is the Family Expenditure Survey (FES) 1985. This is a continuous household survey which collects information on the income, expenditure and direct tax payments of each household member aged 16 years and over, and on household composition and other characteristics such as tenure. In 1985 7012 households participated in the UK and the response rate was 67.4 per cent. Studies have indicated that the FES suffers from some non-response bias, for example through under-representation of the very top of the income distribution, the elderly and the self-employed. However, in general, comparisons of survey results over successive years justify confidence in their general reliability, and examination of the characteristics and expenditure and income patterns of various groups of households shows a high degree of internal consistency. The data presented in this article have not been reweighted to take account of non-response bias.

PART 1

RESULTS FOR ALL HOUSEHOLDS

The level of original income varies widely between households. The 20 per cent of households with lowest original income (the lowest 'quintile group') had an average original income of only £120 per annum in 1985, compared with an average original income of about £22 330 per annum in the highest quintile group (Table A). The size of the original income of a household depends to a large extent on how many economically active people it contains. Only one in eighteen households in the lowest quintile group contain one or more economically active people. Nearly two-thirds of the households in this group are retired (Table B) — defined as households where at least half the total gross income comes from retired people — and the majority of these have virtually no original income since the state retirement pension (including any graduated or additional pension) is a cash benefit.

The composition of each quintile group of households ranked by original income, 1985

TABLE B

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Percentages						
Household type						
Retired	64	51	9	3	2	26
Non-retired						
1 adult	10	12	18	7	2	10
2 adults	6	13	23	31	30	20
1 adult with children	7	5	2	-	-	3
2 adults with children	11	11	36	36	25	24
3 or more adults[1]	2	7	14	22	41	17
Total	100	100	100	100	100	100

[1] With or without children.

Chart 3 illustrates the declining importance of cash benefits in gross income from the virtual dependence of the lowest quintile group to a minor income source for the top quintile group.

CHART 3
Sources of gross income, by quintile group of original income, 1985

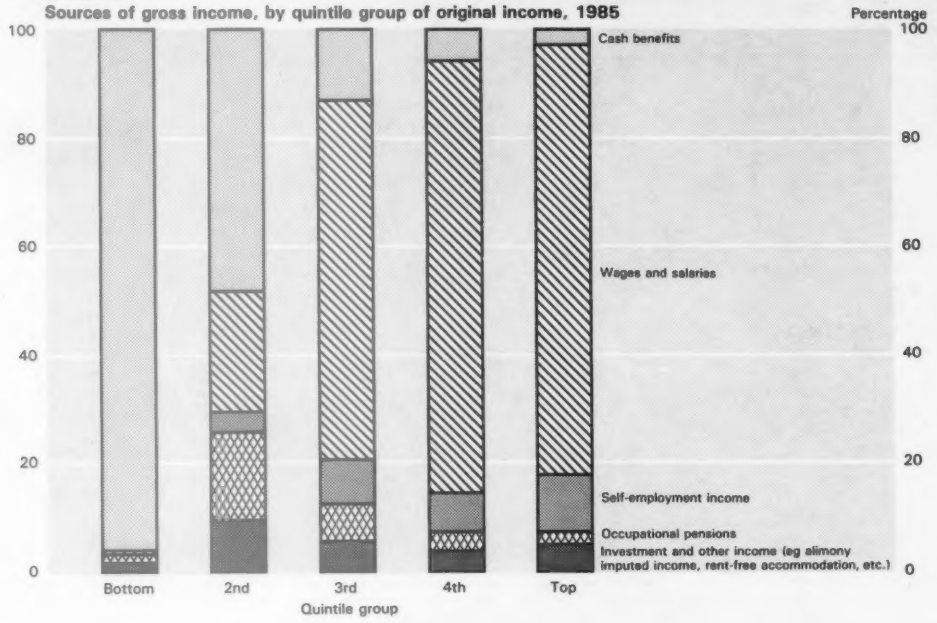
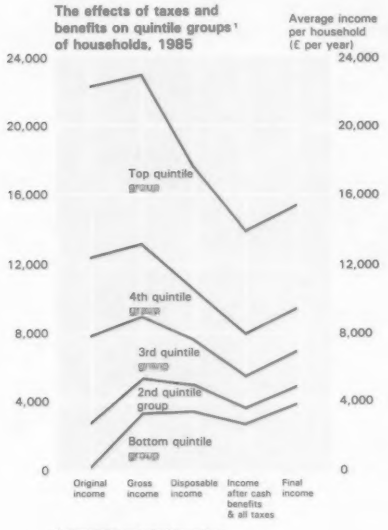


Chart 4 shows how the dispersion of incomes is reduced at each stage of the tax-benefit system, so that the average *final* income for each quintile group ranges from £3 960 to £15 450, a ratio of about 1:4 compared with the ratio for *original* incomes of about 1:190.

CHART 4
The effects of taxes and benefits on quintile groups[1] of households, 1985



1. Households are ranked throughout by their original incomes

An alternative way to illustrate the extent of income redistribution is to examine how income shares are modified by the tax-benefit system (Table C). For example, households in the highest quintile group receive 49 per cent of all original income. After taking into account cash benefits, this group's share falls to 43 per cent. At the other end of the scale, the share of the lowest quintile group rises from 0.3 per cent to 5.4 per cent. Further, but comparatively smaller, compressions of the income distribution occur at the stages of disposable and final income.

Though not without its drawbacks, the Gini coefficient is the most widely used summary measure of the inequality of the distribution of income (see paragraph 37 of Appendix 1). It takes values between 0 and 100 per cent — the higher values indicating greater inequality. While it is dangerous to draw detailed conclusions from isolated changes in the Gini coefficient, the reduction from 50.5 per cent to 38.1 per cent shown in Table C shows that cash benefits produce the largest reduction in income inequality.

Percentage shares of total household income, 1985

TABLE C

	Percentage in each quintile group of households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom . .	0.3	5.4	6.5	5.6	6.7
2nd	6	10	11	11	12
3rd	17	17	17	17	17
4th	27	25	24	24	24
Top	49	43	41	43	40
Total	100	100	100	100	100
Decile group					
Bottom . .	-	2.2	2.7	2.0	2.5
Top	30	26	25	26	24
Gini coefficient (percent) . .	50.5	38.1	34.6	37.6	33.8

[1] Income after cash benefits and all taxes but before benefits in kind.

Attention has already been drawn to the preponderance of retired households in the lower ranges of the distribution of original income; nearly two-thirds of the households in the lowest quintile group and over half of those in the second quintile group are retired (Table B). The income pattern of the retired is very different from that of households whose head is of working age, as is their expenditure pattern (which is reflected in their indirect tax payments). For this reason in the detailed examination of each stage of the tax-benefit system which follows, retired and non-retired households will be analysed separately.

Summary of the effects of taxes and benefits on non-retired households, 1985

TABLE D

	Quintile groups of non-retired households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	1 510	6 900	10 420	14 390	24 350	11 510
plus cash benefits	3 110	1 220	780	690	610	1 280
Gross income	4 620	8 110	11 200	15 080	24 950	12 790
less income tax[1] and employees' NIC	130	1 220	2 050	3 060	5 840	2 460
Disposable income	4 500	6 900	9 150	12 020	19 120	10 340
less indirect taxes	1 290	1 960	2 370	2 930	4 090	2 530
Income after cash benefits and all taxes	3 210	4 940	6 780	9 090	15 030	7 810
plus benefits in kind	1 800	1 460	1 560	1 460	1 620	1 580
Final income	5 010	6 400	8 330	10 550	16 650	9 390
Percent that are public sector tenants	*52*	*30*	*20*	*13*	*5*	*24*
Average per household (number)						
Children (i.e. under 16)	0.9	0.8	0.9	0.8	0.6	0.8
Adults	1.7	1.9	2.1	2.3	2.7	2.2
People in full-time education	0.7	0.6	0.8	0.7	0.7	0.7
Economically active people	0.6	1.3	1.7	2.0	2.3	1.6
Retired people	0.1	0.1	0.1	0.1	0.1	0.1

[1] After tax relief at source on mortgage interest and life assurance premiums.

RESULTS FOR NON-RETIRED HOUSEHOLDS

Original income

The distribution of original income amongst non-retired households is less unequal than amongst all households, ranging from an average of £1 510 per annum in the lowest quintile group to £24 350 in the highest (Table D), a ratio of 1:16 compared to the ratio of 1:186 for the distribution over all households. The relationship between the original income of a household and the number of economically active people it contains is again very strong, and this point is discussed in more detail at the end of this section.

Cash benefits

Cash benefits are of two types: contributory, paid from the National Insurance Fund to which individuals and their employers make contributions while working, and non-contributory (Table E). For non-retired households, non-contributory benefits form the most important source of cash benefit income. The major item, child benefit, is spread fairly evenly over the income distribution, though less benefit is received by the top quintile group where there tend to be fewer children per household (Table D). The other non-contributory benefits are mainly means-tested, in particular Supplementary Benefit, and so payments are concentrated in the lowest quintile group, although the presence of some individuals with low incomes in high income households means that some payments are recorded further up the income distribution. Even the contributory benefits, for which contribution records rather than income are the criteria for payment, are highest for the bottom quintile group because payment generally results from curtailment of employment income for one reason or another. On average, cash benefits formed 10 per cent of the gross income of non-retired households; their payment resulted in a significant reduction in income inequality.

Although the Housing Benefit scheme, which came into operation between November 1982 and April 1983, combined the former systems of rent rebates/allowances and rate rebates, these two forms of housing assistance continue to be treated differently in the national accounts and thus in this article too. Rent rebates and allowances appear as cash benefits whereas rate rebates are treated as reductions in indirect taxation since domestic rates payments are conventionally treated as indirect taxation.

Average value of cash benefits for each quintile group of non-retired households ranked by original income, 1985

TABLE E

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Contributory						
Retirement pension	300	230	120	120	100	170
Sickness/ injury related	320	150	60	60	50	130
Unemployment benefit	160	110	60	40	30	80
Other	140	90	60	30	20	70
Total contributory	920	580	290	260	200	450
Non-contributory						
Supplementary benefit	1 100	160	60	40	60	280
Child benefit	350	300	340	300	270	310
Rent rebates/ allowances	450	50	10	-	-	100
Sickness/ disablement related	160	60	40	30	30	60
Other	140	70	40	50	40	70
Total non-contributory	2 190	640	490	420	400	830
Total cash benefits	3 110	1 220	780	690	600	1 280
Cash benefits as a percentage of gross income	67	15	7	5	2	10

Income tax and National Insurance contributions

Both income tax payments and employees' National Insurance contributions are closely related to the size of original income. The payments by households of employees' National Insurance contributions in particular vary with the number of persons in employment and with their earnings. However, since National Insurance contributions are only calculated on the first £265 of weekly earnings (the ceiling in operation during most of 1985), households in the top quintile group pay rather less in contributions as a percentage of gross income than the middle 60 per cent of households (Table F).

Income tax and employees' NIC as percentages of gross income for each quintile group of non-retired households ranked by original income, 1985

TABLE F

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Income tax[1]	1.2	9.4	12.1	14.0	18.2	13.8
Employees' NIC	1.5	5.6	6.2	6.3	5.2	5.4
Total	2.7	15.0	18.3	20.3	23.4	19.2

[1] After tax relief at source on mortgage interest and life assurance premiums.

The personal tax allowances are large enough to prevent households in the lowest quintile group from paying much tax, and in fact their tax payments are exceeded by their National Insurance contributions. Due to the progressive nature of the income tax system, the proportion of gross income paid in income tax rises from 1.2 per cent for the lowest quintile group to 18.2 per cent for the highest.

Indirect taxes

In total, indirect taxes expressed as a proportion of disposable income fall as original income rises (Table G), ranging from 28.6 per cent in the lowest quintile group to 21.4 per cent in the highest, though the highest quintile pay most in indirect taxes in absolute terms. However, *individual taxes* have divergent effects.

Domestic rates, tobacco duty, beer duty and intermediate taxes (see box) all fall as a percentage of disposable income as income rises, even though domestic rates payments are reduced considerably by rebates particularly for the bottom quintile group. The fall in tobacco duty payments is particularly marked because the incidence of smoking is higher amongst people with low incomes. Car ownership increases with income and therefore so does the related expenditure as a proportion of total expenditure, in the form of car tax, vehicle excise duty and duty on hydrocarbon oils.

Although some indirect taxes are broadly progressive, Table G shows that the impact of virtually all the indirect taxes declines for the top quintile group compared with the fourth quintile group. This is so partly because it is likely that higher income households save a larger proportion of their income than households with smaller incomes. If the incidence of indirect taxes were to be expressed in terms of expenditure rather than income, they can be shown to be rather more progressive.

INTERMEDIATE TAXES

Some taxes, such as VAT and excise duties on petrol, alcohol, tobacco, etc. have a direct effect on the final price of goods and services. However, the producers of these goods and services also incur costs such as employers' National Insurance contributions, non-domestic rates, and duty on hydrocarbon oils, part of which they may pass on to households in the price of their products. These are called intermediate taxes.

Indirect taxes as a percentage of disposable income for each quintile group of non-retired households ranked by original income,1985

TABLE G

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Domestic rates[1]	3.9	4.8	4.1	3.7	2.8	3.6
VAT	7.7	8.0	7.8	7.7	7.3	7.6
Duty on beer	1.2	1.3	1.1	1.1	0.9	1.1
Duty on wines and spirits	0.8	0.9	0.9	1.0	1.1	1.0
Duty on tobacco	5.3	3.3	2.5	1.8	1.2	2.2
Duty on hydrocarbon oils	1.2	1.6	1.7	1.7	1.5	1.6
Car tax and vehicle excise duty	0.8	1.1	1.1	1.1	1.0	1.0
Other taxes on final goods and services	2.1	1.9	1.6	1.4	1.1	1.5
Intermediate taxes	5.7	5.5	5.1	4.9	4.5	4.9
Total	28.6	28.3	25.9	24.4	21.4	24.5

[1] Net of rate rebates and the rates element of housing benefit supplement, but including water, etc. charges.

Benefits in kind

Government current expenditure in providing certain goods and services to households either free at the time of use or at subsidised prices is converted by imputation into the equivalent of an income flow to individual households in order to arrive at final income. The largest two items for which such imputations are made are the health and education services, which together accounted for 20.7 per cent of total general government expenditure in 1985. Other items for which imputations are made are welfare foods (mainly free school meals), the housing subsidy and travel subsidies, together accounting for a further 2.2 per cent of general government current expenditure.

Education benefit to individual households is imputed by reference to the number of pupils and students in the households (students living away from home are not included as part of their parents' household), and to the type of education they are receiving, though no allowance is made for differing costs between local authorities. The bottom quintile group contains the largest number of student households for whom the costs of education are greatest. The result is that the lowest quintile group is allocated the highest average imputed benefit (Table H). The impact of welfare foods, which benefit mainly children, is greatest in the lower income groups since children from these households are more likely to take school meals and to have them provided free of charge.

Data are available on the average cost to the Exchequer of providing the various types of health care — hospital inpatient/outpatient care, GP consultations, dental services etc - and it is possible to estimate the use made of each service by individuals of different age and sex. Using this information, an imputed benefit from the health service can be allocated to each individual in the FES sample. These benefits are then aggregated for members of the household to yield figures on a household basis, so that not only the sex-age composition but also the size of the household determines the distribution of health service benefits.

Average value of benefits in kind for each quintile group of non-retired households ranked by original income, 1985

TABLE H

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Education	880	620	750	700	780	750
National health service	650	680	670	640	670	660
Housing subsidy	120	70	50	30	20	60
Travel subsidies	50	50	70	70	130	70
Welfare foods	110	30	20	20	20	40
Total	1 800	1 460	1 560	1 460	1 620	1 580
Benefits in kind as a percentage of post-tax[1] income	56	30	23	16	11	20

[1] Income after cash benefits and all taxes.

Age and sex are by no means the only possible determinants on which to base the allocation, but age is certainly a very important factor. Data availability also limits the choice of determinants — the FES collects little information on health or use of health services. Table H shows that these benefits show little variation with income, on the assumption that the use made of the national health service depends on age and sex regardless of the level of income.

Housing subsidy is the sum of Exchequer Subsidy and local authority determined rate fund contributions to the housing revenue account. Thus housing subsidy as defined here has been spread between public sector tenants, and since such households tend to be concentrated in the lower half of the income distribution this is where the subsidy is highest. In this article, tax relief on mortgage interest is treated as an adjustment to income tax, not as part of the housing subsidy analysed in Table H.

Travel subsidies cover the passenger element of the grants made to various public transport operations covering both buses and railways. The use of public transport by non-retired households is partly related to the need to travel to work and thus to the number of economically active people in a household and so the combined effect of these travel subsidies increases over the income distribution. However the heavy use of railways by households in the top quintile group, particularly commuters, means that their imputed benefit is nearly twice the average for all households.

Table H shows that taken together the absolute values of these benefits in kind show no clear relationship with household income, given the assumptions made in making the imputations. However as a proportion of post-tax income, benefits decrease from 56 per cent in the lowest quintile group to 11 per cent in the highest quintile group, indicating that this expenditure contributes to the reduction in income inequality.

Percentage shares of total household income for non-retired households, 1985

TABLE J

	Percentage in each quintile group of non-retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom . .	2.6	6.7	7.7	6.4	7.3
2nd . .	12	13	13	13	14
3rd . .	18	18	18	18	18
4th . .	25	24	23	24	23
Top . .	42	39	38	40	38
Total . .	100	100	100	100	100
Decile group					
Bottom . .	0.1	2.5	3.0	2.0	2.5
Top . .	26	24	23	24	23
Gini coefficient (percent) . .	39.3	32.3	29.8	33.4	30.2

[1] Income after cash benefits and all taxes but before benefits in kind.

The overall effect of the various stages of the tax-benefit system on non- retired households is summarised in Table J. Households in the highest quintile group receive 42 per cent of all original income, compared with 3 per cent received by the lowest quintile group. However after taxes and benefits are taken into account, the share of the lowest quintile group rises to 7 per cent and that of the highest falls to 38 per cent. Cash benefits are the major factor underlying these changes, causing the Gini coefficient to

fall from 39.3 per cent based on original income to 32.3 per cent based on gross income. Income tax and employees' National Insurance contributions produce a further reduction in inequality, but payment of indirect taxes increases inequality. Benefits in kind reduce income dispersion.

As has already been mentioned, the size of original income is largely determined by the number of economically active people in the household — even though someone may be defined as economically active if they have been out of work for up to a year as long as they are seeking work. This relationship between income and economic activity amongst non-retired households is explored further in Table K, in which households are classified according to the number of economically active people they contain.

Average incomes, taxes and benefits by the number of economically active persons per non-retired household, 1985

TABLE K

	Number of economically active persons per household			
	None	One	Two	Three or more
Number of households in the sample	*538*	*1 978*	*1 991*	*695*
Average per household (£ per year)				
Original income	1 190	9 240	13 990	18 890
plus cash benefits	3 330	1 300	790	1 020
Gross income	4 520	10 540	14 780	19 920
less income tax and employees' NIC	170	2 040	2 940	4 010
Disposable income	4 350	8 500	11 840	15 900
less indirect taxes	1 240	2 120	2 780	3 960
Income after cash benefits and all taxes	3 110	6 380	9 060	11 940
plus benefits in kind	1 940	1 420	1 530	1 910
Final income	5 050	7 790	10 590	13 850
Gini coefficients (per cent)				
Original income	*87.2*	*37.1*	*26.5*	*25.0*
Gross income	*29.4*	*30.1*	*23.7*	*22.9*
Final income	*37.0*	*29.9*	*23.2*	*22.8*

Original income ranges from an average of £1 190 per annum in households where there are no economically active people to an average of £18 890 in households where there are three or more. Cash benefits are concentrated in households where no-one is economically active, but remain substantial, 14 per cent of original income, for those where one household member is economically active. This latter group will contain a number of households where no-one is currently in work.

Not only does average original income differ widely *between* these four household groups but they also differ considerably in the degree of variation of income *within* the groups. As measured by the Gini coefficient, variability in original income is very high amongst households where no-one is economically active but where two or more persons are economically active the variability is considerably less. Equally, the tax-benefit system has the effect of substantially reducing inequality between the different types of households within the economically inactive group. This results largely from the diverse nature of the economically inactive group, which ranges from single parents with young children, single full-time students, the disabled, and households where no member has been able to find work during the 12 months prior to interview, to a small number of households where income from other sources such as investments means that they have no need to work.

RESULTS FOR RETIRED HOUSEHOLDS

Retired households have quite distinct income and expenditure patterns and so the tax-benefit system affects them in a different way to non- retired households (Table L). Few retired households have substantial original income; those who do are concentrated in the top quintile group and are receiving occupational pensions. The majority of retired households are dependent on cash benefits, in the form of state retirement pensions and, particularly in the bottom quintile group, income-related benefits such as rent rebates and allowances and Supplementary Pension.

Thus cash benefits form a very high proportion of gross income for all but the better-off retired households. However, unlike non-retired households, the bulk of these cash benefits are paid from the National Insurance Fund into which the recipients will have made contributions throughout their working lives.

People over pensionable age do not pay National Insurance contributions so the small payments recorded are made by non-retired people living in households defined as retired (see Appendix 1 paragraph 7 for details of definition). All households except those in the highest quintile group of retired households pay very little income tax, because their income is unlikely to exceed their tax allowances unless they have significant income from investments or occupational pensions in addition to their state retirement pension. The largest indirect tax payment made by retired households is VAT; their payments of domestic rates are reduced by rebates particularly in the lower half of the income distribution.

Retired households derive significant benefits from health services and, to a lesser extent, the housing subsidy and travel subsidies, though of course virtually none from the education service. Health benefit is spread fairly evenly within the group of retired households, as a result primarily of the allocation method used, but housing subsidy is substantially higher for low income households since they are more likely to be public sector tenants. The benefits received by retired households from travel subsidies are mainly for bus travel, particularly in the form of concessionary fares, passes, etc. for senior citizens, and since these are not usually means-tested but depend instead on what sort of scheme is being operated by their local authority, there is no particular relationship with income.

Effects of taxes and benefits on retired households, 1985

TABLE L

	Quintile groups of retired households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	-	130	640	1 820	7 600	2 040
plus cash benefits						
Contributory						
Retirement pensions	2 000	2 150	2 170	2 380	2 280	2 200
Sickness/ injury related	120	90	120	120	180	130
Unemployment benefit	-	-	10	20	30	10
Other	60	50	70	60	40	60
Non-contributory						
Supplementary benefit	260	130	70	50	20	110
Child benefit	20	-	-	-	10	10
Rent rebates/ allowances	590	380	220	70	10	250
Sickness/ disablement related	120	90	100	100	110	100
Other	30	40	30	30	30	30
Gross income	3 200	3 060	3 430	4 670	10 300	4 930
less income tax[1]	-10	-	40	250	1 810	420
less employees' NIC	-	-	-	-	30	10
Disposable income	3 210	3 060	3 390	4 410	8 460	4 510
less indirect taxes						
Domestic rates	100	130	210	310	470	250
VAT	150	150	210	300	520	260
Tobacco duty	100	70	80	90	90	90
Other taxes on final goods and services	120	130	190	260	460	230
Inuermediate taxes	140	150	190	250	380	220
Income after cash benefits and all taxes	2 590	2 430	2 520	3 200	6 540	3 460
plus benefits in kind						
Education	40	10	10	30	40	20
National health service	890	960	900	940	960	930
Housing subsidy	150	100	90	70	30	90
Travel subsidies	60	50	60	60	60	60
Final income	3 720	3 550	3 570	4 290	7 630	4 550

[1] After tax relief at source on mortgage interest and life assurance premiums.

Table M shows the extent to which income inequality amongst retired households is reduced by the tax-benefit system. Cash benefits play by far the largest part in bringing about this reduction and income tax payments make a further, though much smaller, contribution. Payments of indirect taxes and receipts of benefits in kind produce only a marginal reduction in dispersion and so the distribution of final income is virtually unchanged from the distribution of disposable income.

Percentage shares of total household income for retired households, 1985

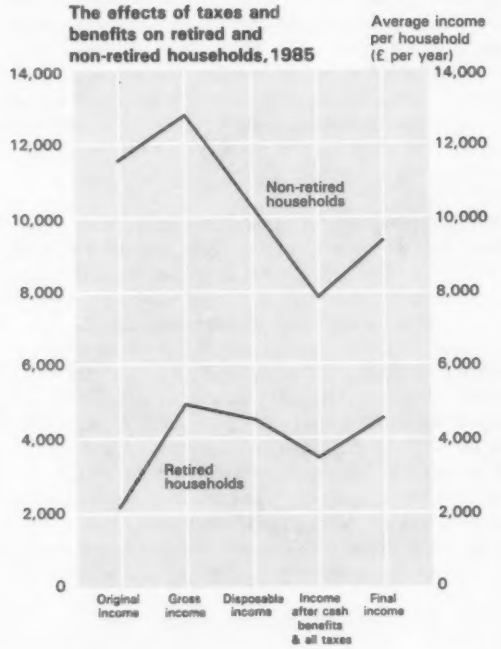
TABLE M

	Percentage in each quintile group of retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom	-	9.6	10.4	9.0	10.1
2nd	1	12	13	13	14
3rd	6	15	16	16	17
4th	18	20	21	21	22
Top	75	43	39	40	37
Total	100	100	100	100	100
Decile group					
Bottom	-	4.4	4.7	3.5	4.2
Top	53	28	25	26	23
Gini coefficient (percent)	72.1	32.4	28.2	30.7	26.3

[1] Income after cash benefits and all taxes but before benefits in kind.

CHART 5

The effects of taxes and benefits on retired and non-retired households, 1985



A comparison of Table M with Table J shows that although the distribution of original income amongst retired households is much more unequal than that within the non-retired household group, the distribution of final income is more equal amongst the retired than amongst the non-retired. The dispersion of original incomes amongst retired households is similar to that amongst non-retired but economically inactive households (Table K). However, the distribution of final income amongst this latter group remains more unequal than amongst the retired. Chart 5 illustrates the different impact which the tax-benefit system has on retired and non-retired households.

PART II

RESULTS FOR THE PERIOD 1975 TO 1985

This part of the article examines the changes which have taken place between 1975 and 1985 in the impact of taxes and benefits on household incomes. The main conclusion is that although the distribution of original income became more unequal over this period taxes and benefits largely offset this trend. Cash benefits have had the most important role to play in reducing income dispersion and have increased in importance over the period. The shift in personal taxation from income to expenditure has also had an impact.

Taxes and benefits as percentages of income by quintile groups of households, 1975-85

TABLE N

Households ranked by original income

	1975	1977	1979	1981	1983	1985
Cash benefits as percentages of gross income						
Bottom quintile group	87	91	92	92	96	96
2nd	24	29	33	37	46	49
3rd	6	8	9	11	14	13
4th	3	4	5	6	7	6
Top	2	2	3	3	3	3
Average over all households	11	13	13	14	16	16
Income tax and NI contributions as percentages of gross income						
Bottom quintile group	1	1	-	-	-	-
2nd	14	13	10	11	9	7
3rd	20	19	18	18	18	16
4th	22	22	19	21	21	19
Top	26	25	21	23	23	23
Average over all households	21	20	18	19	19	18
Indirect taxes as percentages of disposable income						
Bottom quintile group	21	22	23	26	25	23
2nd	24	25	25	28	29	29
3rd	23	24	25	27	28	27
4th	22	23	24	25	25	25
Top	20	21	21	22	23	22
Average over all households	22	23	23	25	25	24
Benefits in kind as percentages of final income						
Bottom quintile group	34	34	35	38	37	35
2nd	27	27	27	29	28	28
3rd	24	22	23	24	24	21
4th	19	18	17	18	18	16
Top	14	14	12	12	12	10
Average over all households	21	20	19	20	20	18

Any discussion of trends in the effects of taxes and benefits on household income has as its background the changes which may have taken place in the various components of the tax-benefit system at the aggregate level. Appendix 2 gives some information on the changes in the level and composition of government expenditure and financing between 1975 and 1985, and in particular how the items allocated to households in this article have been affected. This shows that government transfer payments have quadrupled in current price terms since 1975, and cash benefits accounted for 53 per cent of the total in 1985 compared with 38 per cent in 1975. Much of this growth can be attributed to increases in the number of recipients of social security benefits, such as retired people and those out of work. The pattern of government final consumption (ie government expenditure in providing services) has remained much more stable. Of the items allocated to households, health expenditure has increased from 21 per cent to 23 per cent of total expenditure whilst education expenditure has fallen from 21 per cent to 19 per cent, reflecting the increase in the number of elderly and the decrease in the number of children (see, for example, Social Trends 17, Charts 1.4 and 1.5).

As a result of policy changes over the period, there have been major shifts in the pattern of government financing. Income tax fell from 28 per cent of government revenue in 1975 to 23 per cent in 1985 whilst indirect taxes have risen from 24 per cent to 30 per cent, in line with government policy to shift the balance of personal taxation from income to expenditure.

The results of the changing pattern of government income and expenditure are illustrated in Table N. The composition of the lowest quintile group has changed considerably over the period (see separate section below), and now contains less retired households and more families with children. They have different sources of income, different needs for cash benefits, different

consumption patterns, and make different demands on services. Thus at least part of the change in income shares is because the mix of households within each quintile group has changed. In the following analysis it should be recalled that these comparisons over time only indicate changes in positions relative to other groups. Unless total income remains constant, changes in income shares cannot indicate whether a section within the income distribution has had an absolute change in its income.

Averaged over all households, cash benefits have risen from 11 per cent of gross income in 1975 to 16 per cent in 1985. Throughout the period, cash benefits have been virtually the sole source of gross income for households in the lowest quintile group, but their importance to the second quintile group has increased considerably from 24 per cent of gross income in 1975 to 49 per cent in 1985. This is largely because in 1985 a much higher proportion of the second quintile group were retired households compared with 1975 (51 per cent in 1985 compared with 21 per cent in 1975). The introduction of child benefit, phased in between 1977 and 1979 to replace family allowances and child tax allowances, caused part of the increase in importance of cash benefits throughout the income distribution, and in the latter part of the period income support during periods of unemployment has of course increased the importance of cash benefits to many households particularly in the lower part of the income distribution.

The shift of taxation from income to expenditure is clearly illustrated in Table N, although in fact because households with very high incomes tend to be under-represented in the FES the fall in income tax burdens in 1979 is likely to be somewhat understated. Notwithstanding, income tax and National Insurance contributions fell from 21 per cent of gross income in 1975 to 18 per cent in 1985 averaged over all households. The fall was particularly marked for the second quintile group, where payments dropped from 14 per cent to 7 per cent of gross income (payments by the bottom quintile group were negligible throughout the period). This is the result both of the cut in the basic rate of tax in 1979 and real increases in personal allowances, and of the increasing importance of non-taxable income to this group.

Indirect taxes rose as a percentage of disposable income averaged over all households and in each quintile group (Table N). The main shift occurred between 1979 and 1981 after the increase in the rate of VAT in 1979 and affected the lower half of the income distribution rather more than the upper half. Since 1981 payments have remained fairly stable relative to disposable income, though they appear to have fallen somewhat for the lowest quintile group. Benefits in kind have decreased as a proportion of final income over the period, with the top quintile group showing the largest fall.

Table P shows the effect of these changes on shares of income at various stages of the tax-benefit system, and in Table Q their effect is summarised by Gini coefficients.

The increase in dispersion of original incomes is caused by the rising levels of unemployment over the period, (see, for example, Social Trends 17, Table 4.21) and also increases in the numbers of retired people, most of whom tend to have little original income. After the effects of the tax-benefit system have been taken into account the increase in dispersion is much less marked, though the Gini coefficient based on final income still shows a small increase between 1975 and 1985.

Percentage distribution of original, disposable, post-tax, and final income, households re-ranked at each stage, 1975-85

TABLE P

	1975	1977	1979	1981	1983	1985
Original income						
Quintile group						
Bottom	0.8	0.6	0.5	0.6	0.3	0.3
2nd	10	10	9	8	7	6
3rd	19	19	19	18	18	17
4th	26	27	27	27	27	27
Top	44	44	45	46	48	49
All households	100	100	100	100	100	100
Disposable income						
Quintile group						
Bottom	6.6	6.9	6.5	6.7	6.8	6.5
2nd	13	13	12	12	12	11
3rd	18	18	18	18	18	17
4th	24	24	25	24	24	24
Top	38	38	39	39	40	41
All households	100	100	100	100	100	100
Income after cash benefits and all taxes						
Quintile group						
Bottom	6.2	6.4	6.1	6.0	6.0	5.6
2nd	12	12	11	11	11	11
3rd	18	18	18	17	17	17
4th	24	24	25	24	24	24
Top	39	39	40	41	42	43
All households	100	100	100	100	100	100
Final income						
Quintile group						
Bottom	7.1	7.3	7.1	7.2	6.9	6.7
2nd	13	13	12	12	12	12
3rd	18	18	18	18	18	17
4th	24	24	24	24	24	24
Top	38	38	38	39	39	40
All households	100	100	100	100	100	100

Gini coefficients for the distribution of income at each stage of the tax-benefit system, 1975-85

TABLE Q

	1975	1977	1979	1981	1983	1985
Gini coefficients (per cent)						
Original income	43	44	45	47	49	51
Gross income	35	34	35	36	36	38
Disposable income	32	31	33	33	33	35
Income after cash benefits and all taxes	33	33	35	36	36	38
Final income	31	31	32	32	33	34

Looking at the various components of the tax-benefit system, it is clear that cash benefits have played the most important role in reducing income dispersion and that their importance has grown as original incomes at the lower end of the distribution have fallen — hence the growth in expenditure by government on transfer payments over the period. Payments of income tax and national insurance contributions have resulted in the reduction of about 3 percentage points in the Gini coefficient throughout the period. However the payment of indirect taxes caused an increase in the dispersion of incomes in each of the years examined and, as government financing shifted in favour of taxes on expenditure, the difference between Gini coefficients before and after indirect tax payments widened. This effect was largely redressed by the addition of benefits in kind.

The composition of the lowest quintile group of households ranked by original income, 1975-85

TABLE R

	1975	1977	1979	1981	1983	1985
Percentages						
Household type						
Retired	81	80	83	78	65	64
Non-retired						
1 adult	7	5	6	6	9	10
2 adults	4	4	3	3	5	6
1 adult with children	5	5	5	6	8	7
2 adults with children	2	4	4	6	9	11
3 or more adults[1]	1	1	-	2	3	2
All households in the bottom quintile group	100	100	100	100	100	100

[1] With or without children.

Low income households

With significant shifts in the pattern of government expenditure and financing having taken place between 1975 and 1985, it is of interest to examine what their impact has been not only on the overall distribution of income amongst households but in particular on those households with low incomes. Thus this short section discusses the changes which have taken place affecting the 20 per cent of households with the lowest original incomes, the lowest quintile group.

The composition of this group has changed substantially between 1975 and 1985 (Table R). The most noticeable change has been the reduction in the proportion of retired households from 81 per cent to 64 per cent of the group, balanced by increases in the proportions of each of the non-retired household types. The major factor underlying this shift has of course been unemployment which has meant reductions in original income for increasing numbers of non-retired households who now appear in the lowest quintile group, and more retired households have been shifted upwards to the second quintile. The increased likelihood of a retired person receiving an occupational pension — which forms part of original income — may also have contributed to the change. The household type to show the largest increase in representation in the lowest income group is two-adult households with children, which formed 11 per cent of the group in 1985 compared with 2 per cent in 1975.

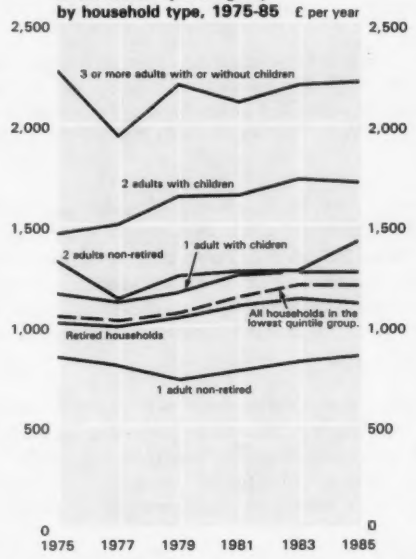
Households in the lowest quintile group rely almost entirely on cash benefits and this dependence has increased over the period from 87 per cent of gross income to 96 per cent (Table N). The vast majority are not liable for either income tax or National Insurance contributions, so changes in their rates or structure have no impact on these households. However the shift of taxation from income to expenditure had a greater than average effect on them, with indirect tax payments rising from 21 per cent of their disposable income in 1975 to 26 per cent in 1981, though the proportion has since fallen back to 23 per cent.

To examine how the resources of households in the lowest quintile group have changed between 1975 and 1985, Chart 6 shows average disposable income for various household types within the group, adjusted to constant 1975 prices using the Retail Prices Index. It should be recalled that in fact for this group of households, disposable income virtually equates with receipts of cash benefits.

Taking the group as a whole, there has been a real increase of about 15 per cent in average disposable income. However, the various household types have fared rather differently. Retired households saw their incomes increase by about 10 per cent in real terms, though it should be recalled that they now form a smaller proportion of the lowest quintile group than they did in 1975. Households comprising two adults with children, though now more numerous in the lowest quintile group, registered an increase of about 17 per cent in average real disposable income, reflecting both the introduction of child benefit between 1977 and 1979 and the change in Supplementary Benefit scale rates for children in 1980. However it must be remembered that, except for the retired group, these estimates are based on small numbers of households — hence the apparent volatility of incomes of three-adult households — and so can be interpreted only as indications of the broad direction of trends.

CHART 6

Average disposable income (in 1975 prices) in the lowest quintile group[1] by household type, 1975-85 £ per year



1. Quintile groups of households ranked by original income.

PART III

ADJUSTING INCOME FOR HOUSEHOLD COMPOSITION

Retired and non-retired households are analysed separately in Part I of this article because of their very different income patterns, but the analysis does not take into account the fact that these households may have varying needs, for example, because of differing household size. In this section of the article we examine the effect of adjusting household income according to the household's size and composition as an indication of their differing needs. The aim is to convert household incomes to a common basis so that like can be compared with like. The methodology commonly adopted to do this is to calculate ratios of incomes required by different household types to achieve a similar standard of living, taking into account the economies possible in the larger households from sharing of facilities such as heating and lighting. Such ratios are known as equivalence scales.

Although the validity of the principle of applying equivalence scales to household income data has been accepted for many years, the method of deriving the equivalence scales themselves is an area of controversy. In the UK, two main approaches have been used: to derive the ratios from data on household expenditure recorded in the FES, or to use the ratios implicit in official schemes of social security or taxation, in particular the supplementary benefit scales. Both have advantages and disadvantages. For example, although scales derived from expenditure data have the virtue of reflecting households' behaviour, assumptions have to be made in order to estimate variables such as expenditure on children.

In this section we examine the effect of applying three different sets of equivalence scales to the various measures of income discussed in this article. The three scales are as follows:

McClements These scales were developed by Dr L D McClements at the Department of Health and Social Security (DHSS) in the mid-seventies, based on expenditure data from the 1971 and 1972 FES. They are based on the assumption that it is possible to estimate equivalence scales from people's spending behaviour as recorded in the FES without making any specific assumption about the criteria for equivalence. These scales are in regular use at DHSS, though it is recognised that they are based on what is now rather old expenditure data and that it might be desirable to recalculate them using more recent survey information.

Supplementary Benefit These scales have been derived from the ordinary scale rates of supplementary benefit. As with the expenditure-based scales, they make allowance for economies of scale and for children being less costly to feed and clothe than adults.

Royal Commission on the Distribution of Income and Wealth (RCDIW) These scales were used in the sixth report of the RCDIW which sat between 1974 and 1979. They are also based on ordinary supplementary benefit scale rates but are a simplified version, making no allowance for the varying needs of children of different ages or for economies of scale in households containing a number of single adults.

Values for each of these scales are presented in Table S. A married couple without children is taken as the standard of comparison with an equivalence scale of unity. The purpose of the following analysis is to examine the effect of the application of these equivalence scales to our results, and in particular to analyse the sensitivity of the results according to the equivalence scale chosen, rather than to draw any conclusions about the most appropriate scales for use with these data. The main conclusions are that the application of equivalence scales has a substantial impact on the composition of each quintile group and on the distribution of income between households, but there is little difference in effect *between* the three scales examined.

Equivalence scales used in the analysis

TABLE S

		DHSS[1]	SB[2]	RCDIW[3]
Married couple		1.00	1.00	1.00
Single adult (householder)		0.55	0.62	
2nd adult (non-householder)		0.45		0.61
3rd adult (non-householder)		0.45	0.49	
4th adult (non-householder)		0.40		
Child aged	16-17	0.38	0.38	
	13-15	0.28	0.32	
	11-12	0.26		
	8-10	0.23		0.27
	5-7	0.21	0.21	
	2-4	0.18		
	0-1	0.07		

[1] Scale net of housing costs in use by DHSS (EAO), developed by McClements.
[2] Scale constructed from ordinary scale rates of Supplementary Benefit.
[3] As used by the Royal Commission on the Distribution of Income and Wealth in their sixth Report.

Before presenting the results, a word of caution is needed on the applicability of the scales in Table S to the concepts of income used in this article. Although supplementary benefit scale rates do embody a scale of relativities, they do not cover housing costs and so the relativities do not take into account such costs either (though eligibility for supplementary benefit can provide a passport to eligibility for certificated housing benefit). Thus strictly speaking these scales should only be applied to income net of housing costs, a concept not usually used in these articles, though in practice they have often been applied to incomes gross of housing costs — for example by the RCDIW. The scales constructed by McClements are available based on expenditure both net and gross of housing costs; for comparability with the supplementary benefit scales, those net of housing costs are used in this analysis. Again, strictly speaking, it could be argued that all three scales are applicable only to disposable income since they are based on the concept of spending power. However, in practice they are often applied to other measures of income such as original income, and so although most of the analysis in this section is in terms of disposable income, the effect of using equivalence scales on other concepts of income is also discussed.

Equivalent income is obtained by dividing the actual income of each household by the equivalence scale implied in the three sets of ratios given in Table S. Thus the income of households consisting of a married couple without children is unchanged but, for example, the income of a single parent with one child aged seven would be divided by 0.76 using the DHSS scale, or 0.83 using the SB scale, or 0.88 using the RCDIW scale.

Table T shows the results of applying the three equivalence scales to disposable income, in terms of the composition of the top and bottom quintile groups. The effect of applying all three scales is very similar: the proportion of retired households in the bottom quintile group is considerably reduced as is the proportion of single person non-retired households, whereas the proportion of two-adult households with children rises. Conversely, the proportion of large households (three or more adults) in the top quintile group falls by two-thirds on an equivalent income basis whilst the proportions of one and two-adult households without children increase substantially. These movements are much as one would expect: small households naturally appear more frequently at the top of the distribution on the adjusted basis whereas larger households are shifted down the distribution.

Composition of the top and bottom quintile group of households ranked by disposable income, unadjusted and adjusted, 1985

TABLE T

		Adjusted to a per equivalent adult basis		
	Unadjusted	DHSS	SB	RCDIW
Bottom quintile group				
Retired	69	44	44	39
1 adult non-retired	17	7	9	8
2 adults non-retired	5	9	8	8
1 adult with children	6	7	8	8
2 adults with children	2	22	22	24
3 or more adults[1]	1	10	9	12
All household types	100	100	100	100
Top quintile group				
Retired	3	8	8	8
1 adult non-retired	2	20	17	19
2 adults non-retired	26	40	44	45
1 adult with children	-	1	1	-
2 adults with children	25	16	15	15
3 or more adults[1]	45	16	16	13
All household types	100	100	100	100

[1] With or without children.

The percentage shares of disposable income of each quintile group are also modified by the equivalence scale adjustments, particularly at the top and bottom of the distribution (Table U). The share of disposable income of the bottom quintile group is increased by about 3 percentage points whilst the share of the top quintile group is reduced by about the same extent. This results in a reduction in the Gini coefficient, indicating that income dispersion is reduced when equivalence scale adjustments are made. These results are very similar whichever of the three equivalence scales is used.

The Gini coefficient provides a convenient means of examining the impact of the tax-benefit system on household equivalent income, compared with its impact on unadjusted incomes. In Table V, each measure of income has been adjusted to a per equivalent adult basis using the same three equivalence scales. The distribution of original income between households is very similar on both an adjusted and an unadjusted basis. However, each element of the tax-benefit system reduces the dispersion of *equivalent* incomes rather more than it reduces the dispersion of *unadjusted* incomes, resulting in Gini coefficients for final income some 8 percentage points lower than the coefficient for the unadjusted dis tribution. Once again, very similar effects are shown by all three scales. The

Percentage shares of total household disposable income, unadjusted and adjusted, 1985

TABLE U

	Percentage in each quintile group of households ranked by disposable income			
		Adjusted to a per equivalent adult basis		
	Unadjusted	DHSS	SB	RCDIW
Quintile group				
Bottom	6.5	9.4	9.3	9.3
2nd	11.3	13.1	12.8	12.9
3rd	17.3	17.1	17.0	16.8
4th	24.3	22.9	23.0	22.8
Top	40.6	37.6	37.8	38.2
All households	100.0	100.0	100.0	100.0
Gini coefficient (percent)	34.6	28.4	28.8	29.0

main reason for the reduced dispersion of adjusted distributions is that the major redistributive element of the tax-benefit system, cash benefits, tend to be concentrated in small households, in particular retired households, who are given greater weight in the adjusted distributions.

Gini coefficients for the distribution of income at each stage of the tax-benefit system, unadjusted and adjusted, 1985

TABLE V

		Adjusted to a per equivalent adult basis		
	Unadjusted	DHSS	SB	RCDIW
Gini coefficients (percent)				
Original income	51	49	49	50
Gross income	38	33	33	33
Disposable income	35	28	29	29
Final income	34	26	26	26

To conclude, it is clear that adjustment of household incomes to a per equivalent adult basis has a considerable impact on the income data considered in this article. Small households are no longer concentrated at the bottom of the income distribution nor are large households concentrated at the top, and the impact of the tax-benefit system is greater, resulting in a more equal distribution of income after taxes and benefits. Looked at in practical terms, it would appear from this exercise that the choice of equivalence scale from those in common use does not appear crucial, and this might pave the way for more extensive use of equivalence scale adjustments in these articles in the future. However, this is a difficult area of research in which work is continuing which may throw further light on how such adjustments to household incomes may bear upon the final distribution.

Methodology and Definitions

The allocation of government expenditure and its financing

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the United Kingdom National Accounts — the CSO Blue Book — to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which most people would probably not think of as leading to a reduction in their personal incomes, and therefore no attempt is made in this analysis to apportion them to households. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Family Expenditure Survey

2. The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each adult keeps a full record of payments made during 14 consecutive days and answers questions about hire purchase and other payments. He also gives detailed information, where appropriate, about income (including cash benefits received from the state) and payments of income tax. Information on age, occupation, education received, family composition and housing tenure is also obtained.

3. One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The Family Expenditure Survey Report for 1985, containing detailed data on household characteristics, income, and expenditure, was published in February 1987. Details of the survey method are set out in Family Expenditure Survey Handbook by W F F Kemsley, R U Redpath and M Holmes. Both are published by Her Majesty's Stationery Office.

4. The number of households in the United Kingdom responding to the FES in 1985 was 7012. The response rate in Great Britain was 67.9 per cent. The available evidence suggests that older households, households where the head is self-employed, those without children and higher income households, are less likely to co-operate than others (see 'Family Expenditure Survey: a second study of differential response, comparing Census characteristics of FES respondents and non-respondents' by Bob Redpath, Statistical News No 72, February 1986, (HMSO)). In addition response in Greater London is noticeably lower than in other areas. However at present the results in this article are based on the responses of those households which actually co-operated in the survey and they are not reweighted. This means that some of the figures differ from those produced by other surveys such as the Survey of Personal Incomes.

Unit of analysis

5. The basic unit of analysis in the article is the household, and not the family or the individual. A household is defined in the FES as comprising people who live at the same address and who share common catering for at least one meal a day. Spending on many items, particularly on housing, fuel and light and food, is largely joint spending by the members of the household. Without further information or assumptions it is difficult to apportion indirect taxes between individuals or other sub-divisions of households.

6. In classifying the households, adults have been taken as all people aged 16 and over. Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

7. A retired household is defined as one in which the combined income of members who are at least 60, and who describe themselves as retired or unoccupied, amounts to at least half the total gross income of the household; or in which the head is over state pension age, and more than three quarters of the household's income consists of National Insurance retirement and similar state pensions, or related supplementary benefit.

8. By no means all retired people are in retired households; about one in three households comprising three or more adults contain retired people, for example, and households comprising one retired and one non-retired adult are often classified as non-retired.

9. The sample households have been classified according to their compositions at the time of the interview and it is particularly important to bear this in mind for households comprising one adult with children — it is likely that many of these households changed their composition at some time during the year.

10. Economically active people comprise employees, the self-employed and others not in employment but who are seeking or intending, when able, to seek work. In 1982 there were changes in the FES in the definition relating to economic activity. The effect of these changes is to exclude all those out of employment for more than a year rather than five years. This exclusion applies regardless of the fact that they may still describe themselves as seeking work. Also excluded are those who have not been in paid employment since leaving full-time education unless they have worked within the previous year; certain of the part-time self-employed with very small incomes; and those whose only economic activity is working as mail-order agents or baby-sitters.

Income: redistributive stages

11. Stage one
Original income plus cash benefits = Gross income.

Stage two
Gross income minus income tax and employees' National Insurance contributions = Disposable income.

Stage three
Disposable income minus indirect taxes = Income after cash benefits and all taxes.

Stage four
Disposable income minus indirect taxes plus 'benefits in kind' = Income after all taxes and benefits (final income).

12. The starting point of the analysis is original income. This is the annual income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment, investment and occupational pensions. Employment income is based on the last payment received before the interview or, where different, the amount usually received. Allowance is made for any periods of absence from work through sickness and unemployment in the preceding 12 months, and for bonuses. Income from self-employment is recorded in the FES for a past period. This is brought up to current levels using an index of income from self-employment derived from the National Accounts. Income from interest, dividends and rent is taken as the amount received in the 12 months before the interview. Income from occupational pensions is based on the last payment received.

13. Households living in rent-free dwellings are each assigned an imputed income based upon the rateable value of the dwelling. This is counted as employment income if the tenancy depends on the job.

14. The next stage of the analysis is to add cash benefits to original income to obtain gross income. This is slightly different to the 'gross normal weekly income' used in the FES Report, mainly because it excludes the imputed rent of owner-occupiers. Cash benefits are:

Contributory:
Retirement pension, unemployment benefit, sickness and industrial injury benefit, statutory sick pay, invalidity pension and allowance, industrial injury disablement benefits, widows' benefits, maternity allowance, Christmas bonus.

Non-contributory:
Supplementary benefit, child benefit, rent rebates and allowances, attendance allowance, mobility allowance, war pensions, severe disablement allowance, family income supplement, old persons pension, government training scheme allowance (YTS etc.), student maintenance grant, maternity grant.

15. Statutory Sick Pay is classified as a cash benefit even though it is paid through the employer.

16. Income from short-term benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Income from long-term benefits, and from rent rebates and allowances, is based on current rates.

17. Income tax and employees' and self-employed contributions to National Insurance and National Health services are then deducted to give disposable income. Taxes on capital, such as capital gains tax and inheritance tax, are not included in these deductions because of the lack of data from the FES on their payment.

18. The estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances, with the exception of tax relief obtained 'at source'. In 1985 there were two types of tax relief obtained in this way: mortgage interest relief and life assurance premium relief. Where households are eligible for these reliefs imputations are made and deducted from recorded income tax payments. In the case of mortgage interest relief obtained through the MIRAS scheme, which was introduced in April 1983, these imputations are based on the interest component of the latest mortgage repayment.

19. Life assurance premium relief is calculated by allocating the amount paid by Central Government to life assurance funds in respect of this relief in proportion to each household's premium payments, where their policy was taken out before April 1984.

20. As original income includes some elements not actually received in cash, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

21. The order in which the remaining allocated items are presented is to some extent arbitrary.

22. Indirect tax on final consumer goods and services include:
Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc
Value Added Tax (VAT)
Customs (import) duties
Car tax
Motor vehicle duties
Driving licences
Stamp duties
Gas levy

23. These taxes are either levied directly on the consumer (for example domestic rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

24. The figures for domestic rates include, as well as local authority rates, charges made by water authorities for water, environmental and sewerage services, although these charges to households in England and Wales are no longer counted as general government receipts in the National Accounts. (In Scotland these payments go to the local authorities and are so counted.) Local authority rates are shown net of all rebates received through the Housing Benefit scheme, including those received by Supplementary Benefit recipients. (The rent rebate element of Housing Benefit is shown as an income-related cash benefit.)

25. VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchasers of such cars as well as on the purchasers of new cars. In allocating taxes, expenditures recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are grossed up to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

26. The incidence of stamp duty on house purchase on an owner-occupying household has been taken as the product of the hypothetical duty payable on buying their current dwelling (estimated from rateable values) and the probability of a household of that type moving in a given year (estimated from the General Household Survey).

27. Indirect taxes on intermediate goods and services are:
- Local authority rates on commercial and industrial property
- Motor vehicle duties
- Duties on hydrocarbon oils
- Employers' contributions to National Insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
- National Insurance surcharge
- Customs (import) duties
- Stamp duties
- VAT

28. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the article, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using input-output techniques.

29. Finally, we add those benefits in kind provided to households by government for which there is a reasonable basis for allocation to households, to obtain final income. Benefits in kind are:
- State education
- School meals, milk and other welfare foods
- National Health service
- Housing subsidy
- Rail travel subsidy
- Bus travel subsidy

30. Education benefit is estimated by the Department of Education and Science as the cost per pupil or student in special schools, primary, secondary and direct grant schools, universities, and other further education establishments. The value of the benefit attributed to a household depends on the number of people in the household recorded in the FES as receiving each kind of education (students away from home are excluded).

31. The value of school meals and other welfare foods is based on their cost to the public authorities. Any payment by the individual household is subtracted to arrive at a net contribution.

32. Each individual in the FES is allocated a benefit from the National Health Service according to the estimated average use made of the various types of health service by people of the same age and sex, and according to the total cost of providing those services. The benefit from maternity services is assigned separately to those households receiving maternity grant.

33. In this article public sector tenants are defined to include the tenants of local authorities, New Town Corporations, the Scottish Special Housing Association (SSHA), Northern Ireland Housing Executive (NIHE) and housing associations. The total housing subsidy includes the contribution from rate funds and from central government to the housing revenue accounts of local authorities; and grants paid to the New Town Corporations, the SSHA, the NIHE and housing associations. Within Greater London, the rest of England, Wales, Scotland and Northern Ireland each public sector tenant has been allocated a share of the region's total relevant subsidy based on the gross rateable value of his dwelling. Housing subsidy does not include mortgage interest tax relief, rent rebates and allowances or rate rebates (see paragraphs 16, 18 and 24 respectively).

34. The rail travel subsidies allocated are those to British Rail passenger operations and London Transport railways (the Underground). The subsidy to London and South East services is allocated to households living in the area and subsidies to provincial services to households living outside the South East, in proportion to households' expenditure on rail fares as recorded in the FES. A single allocation of the subsidy to inter-city services is made by dividing that subsidy between all households in proportion to their recorded expenditure on rail fares. In making both these allocations allowances are made for the use of rail travel by the business sector, tourists and the institutional part of the personal sector.

35. The bus travel subsidy includes the cost of concessionary travel schemes for senior citizens. The method used to allocate the cost of concessionary fares is to derive valuations for the various types of passes from a comparison of recorded expenditure in the FES on bus travel by holders of 'free' and 'half-fare' passes. Separate allocations are then made for the GLC, the English Metropolitan areas and the rest of the United Kingdom. Using aggregates of bus receipts, bus subsidies and the cost of concessionary fares and after making allowances for the use of road passenger transport by tourists, the business sector and institutional part of the personal sector, the total cost of providing bus travel to households in these three areas is estimated and this is then divided between households according to their usage of buses. This usage figure is derived from FES expenditure data and the value of concessionary passes estimated as described above. The amount of bus travel subsidy allocated to each household is then the cost of the bus travel provided less any payments made.

36. It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the criteria used both to allocate taxes and to value and apportion benefits to individual households could be regarded as too simplistic. For example, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. This implies that the benefit of tax relief for mortgage interest, for example, accrues directly to the taxpayer rather than to some other party, for instance, the vendor of the land. It also implies that the working population is not able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. And, in allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service.

Gini coefficient

37. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can most easily be understood by considering a Lorenz curve of the income distribution, ie a graph of the cumulative income share against

the cumulative household share. The curve representing complete equality of income is thus a diagonal line while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. Thus a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its maximum value of 1 (or 100 per cent).

Previous articles

38. This article is the latest in an annual series. Earlier articles covering the years 1957 to 1983 were published in the following issues of Economic Trends: November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978, January 1979, 1980, 1981 and 1982, December 1982, November 1983, December 1984, December 1985, July 1986 and November 1986. The January 1981 article contains a comprehensive account of the changes in treatment over the years. As far as is practicable with the resources available, the Central Statistical Office may be able to provide additional analyses of the 1985 data and those for previous years. Enquiries should be addressed to Mr I Wilkinson, Branch 8, Central Statistical Office, Great George Street, London SW1P 3AQ.

APPENDIX 2

TRENDS IN GOVERNMENT FINANCING AND EXPENDITURE 1975-1985

1. Government expenditure and financing at current prices rose throughout the period 1975-1985, largely due to inflation (Table 1). However, when allowance is made for the effects of inflation, the pattern of growth from year to year has been rather uneven, as is clear from a comparison of the growth in government expenditure with that of gross domestic product (GDP). Taking the period as a whole, the growth in GDP has exceeded the growth in government expenditure measured in current prices.

2. The growth in government transfer payments has exceeded the growth in final consumption throughout the period, quadrupling in current price terms since 1975. Much of this growth can be attributed to increases in the number of recipients, such as retirement pensioners and those out of work.

3. Of the four types of government expenditure shown in Table 1, parts of both current transfer payments and final consumption are allocated to households in this study. Both these items have shown strong growth between 1975 and 1985, and Tables 2 and 3 illustrate the changes which have taken place in their composition over this period.

Growth in gross domestic product and government expenditure, 1975-85

TABLE 1

	1975	1977	1979	1981	1983	1985
Index numbers (1975=100)						
Gross domestic product						
At current market prices	100	137	185	239	284	331
At constant (1980) market prices	100	105	111	107	112	119
General government expenditure and financing	100	120	166	227	269	306
Government expenditure categories						
Current transfer payments	100	139	197	282	337	406
Capital transfer payments	100	36	104	103	94	33
Final consumption	100	127	168	239	285	320
Capital formation and stocks	100	98	102	90	120	144

4. Taken together, the current transfers allocated to households have increased as a proportion of all transfers from 48 per cent to 60 per cent (Table 2). This has been due mainly to the growth in importance of non-contributory benefits which increased from 8 per cent of all transfer payments in 1975 to 19 per cent in 1985. Between 1975 and 1979 some of this rise was caused by the introduction of child benefit, but the main cause over the period as a whole has been the growth in supplementary benefit payments. Contributory benefits, mainly the state retirement pension but also unemployment benefit, have also increased their share though the growth has been much less marked and there has been a slight fall in recent years. The rise in long-term unemployment (ie more than 12 months) has had more impact on supplementary benefit payments than on unemployment benefit, because the latter benefit is payable only for a year after which those still out of work may become entirely dependent on supplementary benefit.

Changes in the composition of government transfer payments, 1975-85

TABLE 2

Percentages

	1975	1977	1979	1981	1983	1985
Current transfers						
Allocated						
Cash benefits: contributory	*27.2*	*33.6*	*28.8*	*30.1*	*30.0*	*29.4*
non-contributory	*8.4*	*11.7*	*13.7*	*15.6*	*17.4*	*19.0*
other[1]	*2.2*	*2.8*	*2.4*	*2.1*	*4.5*	*4.9*
Subsidies[2]	*6.1*	*6.8*	*6.6*	*5.6*	*3.9*	*3.4*
Other[3]	*3.7*	*4.4*	*3.4*	*3.6*	*3.3*	*2.9*
Total	*47.6*	*59.3*	*54.8*	*57.0*	*59.2*	*59.6*
Unallocated	*31.4*	*34.1*	*32.8*	*34.1*	*33.9*	*38.2*
Capital transfers (unallocated)	*21.1*	*6.5*	*12.4*	*8.9*	*6.9*	*2.1*
General government transfers	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

[1] Student maintenance grants, rent rebates and allowances.
[2] Housing subsidy, travel subsidies (excluding concessionary fares).
[3] Institutional cost of university education, option mortgages expenditure.

Changes in the composition of government final consumption, 1975-85

TABLE 3

Percentages

	1975	1977	1979	1981	1983	1985
Current expenditure on goods and services						
Allocated						
Health	20.8	21.6	21.8	22.8	22.7	22.6
Education[1]	21.4	21.4	20.6	20.1	19.5	18.6
Welfare foods, concessionary fares	2.0	1.9	1.6	1.3	1.2	1.2
Total	44.1	44.8	44.1	44.2	43.4	42.4
Unallocated	52.6	51.6	52.3	52.3	53.4	54.5
Other final consumption[2]	3.3	3.6	3.6	3.5	3.1	3.1
General government final consumption	100.0	100.0	100.0	100.0	100.0	100.0

[1] Universities are part of the personal sector in the National Accounts therefore the institutional cost of university education forms part of government transfer payments.
[2] Non-trading capital consumption.

5. The pattern of government final consumption has been much more stable than that of transfer payments (see Table 3). Of the items of final consumption allocated to households, expenditure on the health service has increased from 21 per cent to 23 per cent of total expenditure, whilst expenditure on the education service has fallen from 21 per cent to 19 per cent. In total the items allocated to households now constitute 42 per cent of final consumption, compared with 44 per cent in 1975.

Changes in the composition of government financing, 1975-85

TABLE 4

Percentages of total financing

	1975	1977	1979	1981	1983	1985
Allocated revenue						
Income tax	28.0	28.2	23.9	23.7	22.6	22.5
Employees' NIC	5.4	6.2	5.4	6.1	7.4	7.6
Indirect taxes on households[1]	24.3	27.2	28.1	29.1	28.7	29.7
Total	57.7	61.6	57.4	58.9	58.7	59.8
Unallocated revenue						
Borrowing	18.9	7.1	14.3	9.7	8.7	5.3
Other receipts	23.4	31.3	28.3	31.4	32.6	34.9
Total financing	100.0	100.0	100.0	100.0	100.0	100.0

[1] Including employers' NIC allocated to households.

6. The pattern of government financing changed considerably between 1975 and 1985 (Table 4). In line with government policy to shift the balance of personal taxation from income to expenditure, income tax fell from 28 per cent of total revenue in 1977 to 24 per cent in 1979, when the basic rate of tax was reduced from 33 per cent to 30 per cent and higher rates of tax were reduced. The share of income tax has continued to fall as personal allowances have been increased in real terms. However the importance of indirect taxation has increased, due to above average increases in revenue for most specific duties between 1975 and 1977 and then the increase in the rate of VAT in 1979. The net effect of these changes has been to increase the proportion of total revenue allocated to households in these articles from 58 per cent in 1975 to 60 per cent in 1985.

Index of sources

Data given on page 5 may be more recent than that shown elsewhere in the publication.
United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Page	*Source*	*Further statistics*
Average earnings	5,40	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	5,48	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Banking		Bank of England	Financial Statistics
Bank loans, advances and acceptances	62,64		
British government securities (long dated)			
20 years yield	66		
Building societies		Bank of England	Financial Statistics
Advances on new dwellings	20	Building Societies Association	
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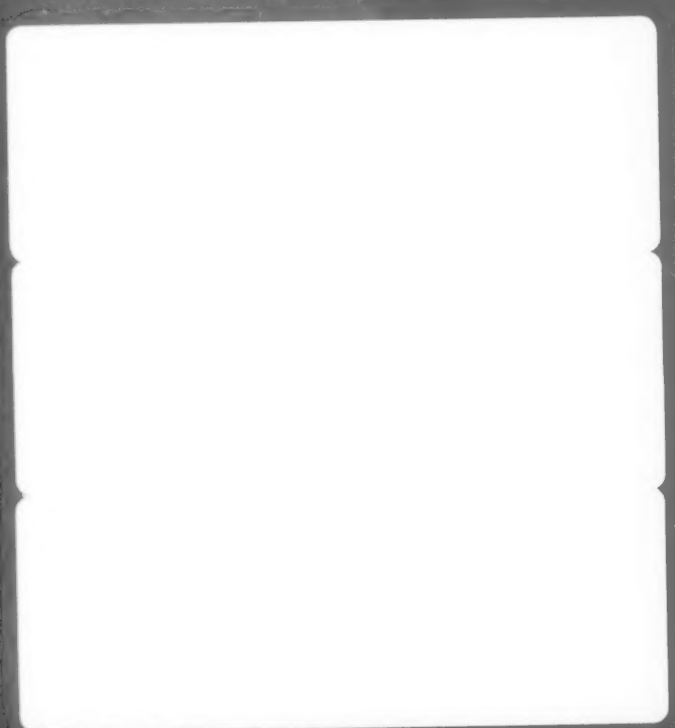
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